UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 41. Section 1. February 18,1922.

Financial Situation Improved

The consolidated statement of the national banks, made under the call of December 31, issued yesterday by the Comptroller of the Currency, says in part: "Under any analysis, the figures indubitably demonstrate that the peak of liquidation and of consequent depression was passed somewhere between September 6 last and December 31 last, and that the tendency has been steadily toward improving business and less reliance of business upon the support of the banks. Of precisely like tenor are recent advices from the War Finance corporation, which reports a progressive liquidation of its loans and a general improvement of conditions in the agricultural industry. Recent stabilizations of prices for agricultural staples have brought the farmers to the point where they are able to realize something at least approximating costs of production, and can look forward hopefully to stibl further improvements in no very distant future." (Press, Feb. 18.)

Senator-Elect Rawson Will Join Agricultural Group

Charles A. Rawson, of Des Moines, Ia., said, February 17, upon acceptance of his appointment to succeed William S. Kenyon as Senator from Iowa: "Iowa is essentially an agricultural State, and there can be no real prosperity until farm products can be marketed at a profit. I intend to cooperate with the senatorial forces which have for the past year been active for agricultural relief. I want to do what I can to help the farmer and wage-earner of Iowa and to see that the service men are compensated for their services and sacrifices." (Press,Feb.18.)

Sales Tax for Bonus Opposed by Grange

T. C. Atkeson, Washington representative of the National Grange, voiced opposition, February 17, to the sales tax proposal, in a letter to Chairman Fordney, of the House Ways and Means Committee, characterizing it as "designed to shift the burden of taxation from those most able to pay it to those least able to pay." Mr. Atkeson said the grange had suggested the excess profits tax for the bonus, and if that was found inexpedient "a tax should be levied which will not be added to the cost of living of the millions with limited incomes." (Press, Feb.18.)

Investigation on Lobbying Against Muscle Shoals

Under the terms of a resolution, introduced February 17 by Senator McKellar, the Senate Committee on Agriculture and Forestry would be instructed to investigate charges that the fertilizer industry is controlled by corporations, constituting a monopoly, and have employed agents, attorneys and lobbyists in Washington to lobby against the approval of the Henry Ford offer for the Muscle Shoals contract. (Press, Feb. 18.)

Section 2.

Agricultural Financing

The War Finance Corporation announces that from February 13, to February 15, 1922, inclusive, it approved 187 advances, aggregating $5,735,000, for agricultural and live-stock purposes in 23 states. The board also approved an advance of $1,800,000 to a financing institution, organized to promote export trade, for the purpose of financing the exportation of cotton. (W.F.C. press statement, Feb. 17.)

Agricultural Specialists

The National Stockman and Farmer for February 18 says in an editorial: "A correspondent writes to condemn 'the vast army of agricultural parasites' in which he includes 'soil doctors, institute lecturers, farm agents, specialists,' and a few others under the general titles of 'overseers, assistants and helpers'. Those so-called 'parasites' are necessary in agriculture because it is a business of small units, none able to support the research and the teaching necessary to the advancement of a great industry. If agriculture were an industry of big units, like the United States Steel Corporation or the Standard Oil Company, it might employ men in research as those institutions do, and it might instruct its employees as they do. But agriculture is not that kind of a business, so it must employ its specialists in another way. One of those 'parasites' invented the Babcock test, which has been worth more than all of them cost. Another located the Texas fever with the cattle tick, and saved the country more than it has spent on this whole tribe of 'parasites'. Another discovered the remedy for San Jose scale and other enemies of fruits, and he has saved a great industry from real parasites. We might go on at great length about the achievements of the comparatively few men who are working for the six million farmers of this country and whose salaries are the best investment the nation ever made."

Antelope Conservation in Canada

Charles Blazier, trapper and hunter, known as "Charles the Wolfer," has just returned to Edmonton, Alberta, from Oklahoma, where he delivered to the Wichita National Bison Range, owned by the United States Government, a pen of antelope he captured in Alberta. Blazier visited Edmonton for the special purpose of urging Chief Game Warden Lawton of Alberta to institute measures to save the antelope in Western Canada from extinction. Only a few of the animals, he says, are left. (N. Y. Times, Feb. 17.)

Business and Agriculture

"During recent years the merchant, banker and manufacturer, indeed, city dwellers generally, including all classes, have shown a growing interest in the farmer and his welfare and in the development of better rural conditions. ... It is quite safe to state that at least 75 per cent, and probably 90 per cent, of the efforts of bankers, merchants and manufacturers have been to aid the farmer along lines of production. To our mind this is unfortunate, for the farmer, while far from being the most efficient producer, knows more about this part of his business and needs help less here than almost anywhere else. On the other hand, the city man naturally knows less about farm business. In short, the city man has tried to help the farmer where he needs help least and where the city man is least able to help him. Consequently the efforts of the city man have not been as effective as they might have been and this we

repeat is unfortunate. We believe the banker, for instance, can aid agriculture most, and is better fitted to aid agriculture, as a banker. That is, the greatest service the banker can render agriculture is by combining his knowledge of banking with the farmer's knowledge of farming and farming conditions and together securing and developing a system of banking for agriculture that will do for the farmer what our present commercial banking system has done for the merchant and manufacturer. Again, we believe the merchant can best aid the farmer by helping him to solve his merchandising problems. The marketing of farm products, for instance, is merchandising, and who but the merchant should be able to render the farmer most assistance in marketing his products. In short, the city man can best assist the farmer and do most for himself and the country as a whole, by joining his efforts with those of the farmer, at the point where their interests and operations come closest and thereby making these points of contact more profitable or more satisfactory to each." (The Progressive Farmer, Feb. 11.)

Cooperative Marketing Bill

The National Stockman and Farmer for February 18 says in an editorial: "Last week the United States Senate passed the cooperative marketing bill, which relieves cooperative associations from prosecution under the anti-trust law and imposes on the Secretary of Agriculture the duty of preventing monopoly or unfair business practices on the part of these organizations. The Secretary is also given power to order an offending organization to cease and desist from any unfair practice or restraint of trade, and the courts may be appealed to for enforcement of any order the Secretary may make. ... What such legislation will amount to remains to be seen. We have always believed that cooperative associations now possess the right to act collectively just as long as such action is not detrimental to public welfare or contrary to the rights of others. It is inconceivable that any legislation can stand which confers on cooperative associations power to commit acts contrary to public interest. If this assumption is correct the new law will do little more than prevent a few prosecutions which could not have succeeded under other circumstances. Just now we know of no legitimate agricultural cooperative effort that is being assailed at law, and we have never known of one that was successfully assailed."

Crop Insurance

In an editorial on crop insurance legislation now before Congress, Commerce and Finance for February 15 says: "How far these measures go will depend on the pressure put behind them. Other interests being served by special governmental agencies, the argument that this legislation would make farming a specially favored interest is not pertinent, and falls to the ground. Indorsement of the idea has come to us from every section of the country. If all those who have written to us and all who believe the possibility is worth investigation will write to their Senators the pressure will force consideration of the resolution. The benefits to be derived from crop insurance are self-evident. The need is for further light on the practical problems involved, a light which can best be shed by Government research."

Grain Handling at Vancouver

If proper grain handling facilities are established on Vancouver harbor the port will be handling between fifty and one hundred million bushels of export wheat within a period of two or three years, according to a statement made before the British Columbia Manufacturers' Association. (Jour. of Commerce, Feb.17.)

Muscle Shoals

Acceptance by Congress of the offer of Henry Ford for purchase and lease of the Government properties at Muscle Shoals, Ala., would handicap the waterpower development of the entire South and, in this respect, would be like removing the vertebrae from a man, Hugh L. Cooper, declared February 17, in testifying before the House Military Affairs Committee. (Press, Feb. 18.)

St. Lawrence Waterway

"If cordial general indorsement means anything the proposed waterway from the Great Lakes to the ocean by way of the St. Lawrence River, which would carry ocean ships, should be practically assured. The principal objections that have been raised against the project have come from New York. While some of the objectors declare that they are sincere and unprejudiced in their position, the feeling is unavoidable that there is quite a little selfishness in their position due to the feeling that the proposed waterway would necessarily divert trade from the port of New York and seriously affect the business of the metropolis. It is always reasonable for a locality to fight what will hurt it, but will the building of the waterway damage New York? Simple reasoning indicates that the proposed waterway would greatly benefit the states of the Corn Belt and westward. It would even improve their connections with New York City for certain non-perishable commodities. It would relieve railroad congestion and hasten shipment of perishable products. What helps the great producing section mentioned would help the entire country. ... The argument that the proposed route of the lake-to-ocean waterway could be out of commission for several months each year might be used as effectively against the Great Lakes, but more tonnage passes through the Soo locks in and out of Lake Superior annually than passes any other point in the world. The Soo is further north than Montreal. The proposed waterway is worthy of support. Practically all farmers' organizations believe in it and have supported it through resolutions." (Ohio Farmer, Feb. 11.)

Section 3.

Department of Agriculture

1. The Journal of Commerce for February 18 says in an editorial: "And now the potato men are on the warpath against Uncle Sam's false prophets of the Bureau of Crop Estimates. They claim that the February 15 statement of the potato crop is as badly off as was the recent report on cotton, and claim that the bureau itself should have known it if it kept track of its own former statistical statements. It appears that the bureau reported the holdings of potatoes in the country on February 15 as 141,042,000 bushels, which so riled the potato men that Andrew Spada, one of the larger commission men, wired the bureau as follows: ... " The editorial closes with the following statement by Mr. Spada: " 'The figures are absolutely misleading, as anybody who has been handling potatoes knows that this year's crop is considerably shorter than it was last year. When they see a mistake has been made the only consolation we get is simply, the

money appropriated was not sufficient to make a thorough investigation, and in answer to this we say that if an individual or a firm is able to find out more or less what's what, it should be much easier for the department to do so. If they are not able to give the proper information, the quicker they close the department the better the country will be.' "

Department of Agriculture

2. "Several packers, members of the Institute of American Meat Packers, on receipt of a letter from Chester Morrill, assistant to the Secretary of Agriculture, in charge of administration of The Packers and Stockyards Act, asking for certain information regarding their accounting for the fiscal year 1921, inquired of the institute as to the proper procedure they should take. In reply to these inquiries, Vice President C. B. Heinemann advised that the information should be furnished, since the institute is cooperating with the Department of Agriculture. ... " (The National Provisioner, Feb. 11.)

Section 4.

MARKET QUOTATIONS.

Farm Products

Feb. 17: Grain prices declined on profit taking and lower foreign markets; Chicago May wheat lower at $1.37 3/8; Chicago May corn lower at 62 1/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.34; No. 2 hard winter wheat $1.32; No. 2 mixed corn 57¢; No. 2 yellow corn 57¢; No. 3 white oats about 36 1/4¢. Average farm prices: No. 2 mixed corn in Central Iowa about 44¢; No. 1 dark northern wheat in Central North Dakota $1.32 1/4; No. 2 hard winter wheat in Central Kansas $1.20.

Chicago hog prices steady to strong, bulk of sales $9.85 to $10.25. Beef cattle active; medium and good beef steers $7.25 to $9.15; butcher cows and heifers $3.90 to $7.75. Fat lambs strong to 25¢ higher at $13.25 to $15.85.

Chicago and New York potato markets firm; other markets weak. New York Round Whites weak f.o.b. at $1.78 to $1.88 per 100 lbs. New York Baldwin apples A 2 1/2 firm f.o.b. wire orders at $7.25. New York Danish type cabbage weak f.o.b. at $30 per ton bulk. New Jersey yellow sweet potatoes weak in Chicago at $2.50 per bu. hamper.

Hay markets firm to higher on generally light receipts. Fairly good demand at most markets. Good quality alfalfa wanted at Chicago. Western feed markets strong; Eastern markets steady but inactive.

Butter markets continue steady to firm. Cheese markets also firm. - Spot cotton up 17 points closing at 16.95¢ per lb. New York March futures up 23 points at 17.80¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 17: Average closing price 20 industrials 83.88, as compared with 76.28 corresponding day 1921; average closing price 20 railroad stocks 77.28, as compared with 74.15. (Wall St. Jour., Feb. 18.)

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President Signs Marketing Bill

The Capper-Volstead cooperative marketing bill, which legalizes cooperative associations of farmers and producers for marketing purposes and exempts them from the Sherman anti-trust law was signed February 18 by President Harding. The act limits the profits of cooperative associations to 8 per cent and stockholders to one vote each, no matter how much stock they may hold in such organization. Its administration is under the Secretary of Agriculture. (Press, Feb. 19.)

Tariff Legislation

The Senate Finance Committee is understood to have adopted the Smoot plan of assessing tariff duties on the basis of the foreign valuation, with discretionary power given the President to assess the American valuation in certain cases. This decision, it was stated February 18, would necessitate a rewriting of the ad valorem rates of the House bill, which are predicated upon the American valuation. (Press, Feb. 19.)

Soldier Bonus Plans

The Associated Press to-day says: "It is understood to be the hope of leaders of the agricultural bloc that the committee will report out a bill without any specific provision for raising the funds, as the Senate finance committee did last year. President Harding has said that he could not look with favor on a measure that did not carry ways of financing it, but it was understood to be the thought of some of the supporters of such a bill that with a large sum made available through reductions in the estimated cost of conducting the regular Government establishment a situation would be created which would remove Executive objection."

The Sales Tax

In an editorial on bonus legislation, The Philadelphia Public Ledger February 17 says: "The farmer with his 'farm bloc' is against the sales tax fang and claw. There is a widespread, general and unorganized resentment against this so-called 'painless tax,' and Congress knows it. The farmer is keeping two men in Washington, H. C. McKenzie, of the Farm Bureau, and Dr. T. C. Atkeson, of the Grange, with special instructions to be watchful as hawks of any sales-tax move. With labor, the farmer will push to reenact the excess profits, transportation, luxury and higher income taxes if a sales tax threatens. Thereby they will step squarely on the administration's sorest toe."

Agricultural Conference Comment

"One of the principal results of the Agricultural Conference at Washington, has been the renewed advocacy of so-called intermediate farm credit. By this is meant the extension of loans to farmers for terms running from, say, six months to three years. The conference in its final report advocated the adoption of some plan which would provide for extensions of this kind, specifically recommending that they be granted by Federal land banks. ... Investigations made last summer show that at that time there had been no diminution in the amount of credit thus extended, as compared with the peak level contained after the war. The trouble at present is not found in the lack of credit, but in the fact that the farmer is not well organized from the marketing standpoint for the purpose of obtaining it. He suffers from shortage of capital rather than credit, and suffers most of all from the lack of good facilities for disposing of his product. It is in these directions that the best work for the relief of the farmer can be done, not in that of the extension of the short term credit he desires, and this should be impressed on the minds of those responsible for relief measures." (The Magazine of Wall Street, Feb. 18.)

"Agricultural interests generally seem to be satisfied with the results of the recent agricultural conference in Washington and are expecting results along lines expressed in the resolutions adopted by the conference. Disappointment in some degree may come as a result of differences between farmer organizations represented in Washington. The poultry interests ... have a protest because their proposed tariff schedule was not acted upon. In view of the expected large shipments of Chinese eggs, they have good ground for their protest. The filled milk legislation proposed and the tariff schedule on dairy products received unanimous indorsement. The conference has asked for a 10¢ tariff on butter and it is practically assured, by expressions in Washington on this subject, that the bill when passed will, if it does not carry the 10¢ rate, have 8¢, an advance of 2¢ over the present tariff. (Chicago Dairy Produce, Feb. 14.)

Section 2.

Agrarian Movement

"In an article captioned 'New Agrarian Movement People Must Reckon With,' published in a recent issue of the Boston Globe, John Lathrop summarized the activities of the American farmer in Washington for the benefit of what he terms 'the rather frightened city man.' This summary is so fair and open minded that perhaps the best comment we can make on it is to pass along to our readers the following extracts: 'Two years ago, James R. Howard, president of the American Farm Bureau Federation, was following a cultivator on his Iowa farm, unknown a hundred miles outside his own State. To-day, millions of agriculturists acknowledge him their captain, his official leadership ramifying into 40 states, single state units of the federation spending annual budgets of a quarter-million of dollars. This agrarian movement has advanced so rapidly that every politician, banker, transport agent, social economist, has for the nonce paused to appraise the great manifestation and its leader. There are other organizations of agriculturists. Some moving along in harmony with the American Farm Bureau Federation being complementary in their functions. Others appear to have already arisen in antagonism. ... ' " (The New England Farm, Feb. 11.)

Agricultural Bloc

"The agricultural bloc in Congress is the subject of much criticism and likewise of much praise. The former comes from the manufacturers and big business interests while the latter is voiced by the farmers of the country. When the matter is sifted down, there is really no very great cause for concern in the fact that a few senators and congressman are working together in behalf of agriculture. They are doing for the farmers merely what groups of senators and congressmen in the past have done for other industries, many of which, have not really merited the attention given them. This is the first time that farmers have had anyone in national legislative halls to look after their affairs in any special way and the fact that the bloc is doing it in an open, fair and square manner is no reproach to anyone. (Indiana Farmers' Guide, Feb. 18.)

Agricultural Financing

1. Improvement in agricultural conditions is beginning to manifest itself in an orderly liquidation reflected in recent repayments to the War Finance Corporation in connection with its loans for export, agricultural and live-stock purposes, Managing Director Meyer declared in a statement issued February 19. From January 1 to February 15, inclusive, Mr. Meyer said, a total of $15,233,000 has been repaid to the corporation. Repayments of export advances totaled $7,641,000; repayments on account of agricultural and live-stock loans, he continued, aggregated $3,671,000, of which $2,877,000 was repaid by banking institutions, $347,000 by live-stock loan companies and $447,000 by cooperative associations. Commenting upon this statement, The Washington Herald to-day says in an editorial: "The sums mentioned are not overpowering, in terms of present-day financial operations, and are but a part of the revolving fund authorized for aiding exporters. But the definite turn in the tide is demonstrated by the unsolicited repayment of moneys utilized in such transportation. It is recorded that a considerable portion of the advances have returned to the corporation's coffers before due dates. That, also, is a most healthy sign."

2. "There was a perfectly natural tendency on the part of local banks during the period of rapidly-falling values for farm products to endeavor to stop what looked like certain loss by urging liquidation or the marketing of crops and live stock; but it must now be apparent to all that the end of that long lane was really reached some time ago, and that the trend to-day in nearly all major lines of farm-produce values, even in grain, is toward a higher level. In the case the live stock in turn came in sheep and lambs and wool with sensational suddenness. All know that corn marketed via the pork route has brought a paying price, and cattle feeders face the future again with good anticipations. Farm labor costs are down. There seems every reason, therefore, for banks to reverse the credit lever at this time, and extend the freest possible aid to all worthy men who need cash to finance the spring work." (The Breeder's Gazette, Feb. 16.)

3. "No Feed, No Credit" is the title of an editorial in The Wall Street Journal for February 20, based upon an advertisement of the First National Bank of Greenwood, Miss., to the effect that no loans will be made where the proceeds are to be used for the purchase

of feed. The editorial says in part: "It means that experience has demonstrated to the most discriminating class of men in the country that the farmer who puts his time and money into one crop and purchases his food and feed is headed toward failure."

Armour to Leave New Zealand

The High Commissioner for New Zealand says the London Times has received a cablegram from the New Zealand Premier stating that, in consequence of the refusal of the New Zealand Government to issue meat export licenses, the Armour Company has undertaken to cease all trading in meat in New Zealand. The Government will permit the Armour Company to export meat at present held for marketing, in order to avoid oversupplying the market. It is provided that the Government must authorize each shipment. (Press, Feb. 20.)

Butter from Abroad

"While no foreign butter was received in New York during the past week, there are a few lots of New Zealand and Argentine stock afloat, including one shipment of 10,000 packages due to reach here the end of the first week in March. ... No Danish butter is afloat, inasmuch as Great Britain is taking more of this stock, it being impossible for the Scandinavians to sell to England, now that the exchange rate will materially improve." (Chicago Dairy Produce, Feb.14)

Farmer on Reserve Board

"When the agricultural 'bloc' in the United States Senate insisted that at least one member of the Federal Reserve Board should be a farmer, many of the daily papers made a great outcry about 'class legislation'. The law creating this board clearly states: 'Of the five members (of the Federal Reserve Board) thus appointed by the President, at least two shall be persons experienced in banking and finance.' That sounds like 'class legislation' until we realize that the business of this board requires experience in banking and handling large amounts of money. No one questions the wisdom of having men on this board who understand financial matters, yet the board is not entirely an organization for making money for the Government. The design is to use the public money for the best interests of American industries, and it will be admitted that few city bankers know much about practical agriculture and its needs. As agriculture has suffered more from 'deflation' than any other industry, and as it is the foundation industry of all, there seems no fair reason why farmers should not be represented on the board. Why is it 'class legislation' to ask for one farmer when the law definitely calls for two bankers?" (Rural New Yorker, Feb. 18.)

Food Prices

The retail food price index maintained by the Department of Labor on reports from representative communities throughout the United States showed a decrease of 5 per cent in January, as compared with December, it was announced February 19. During the thirty-day period covered by the report, twenty-six of the forty-four articles of food considered as within the culinary requirements of the average family, decreased in price from 1 to 29 per cent. The highest price change was in fresh eggs. (Press, Feb. 20.)

The cost of living in Great Britain continues to fall. The decline in last month was four points, the present level being 88 per cent above the prewar figure. The drop is mainly due to the reduction in food prices. (N.Y.Times, Feb. 19.)

Meat Councils

"A logical result of the formation of local meat councils in a considerable number of cities over the country is to bring these newly formed bodies into closer touch through a new organization in which they can work out common problems and extend the distribution of meats in a more efficient and profitable way. ... Although these meat councils are comparatively new in the business, they have shown great activity and usefulness not only to the trade but to the public, for they have established a point, or means of contact with the body of consumers whereby there can be more understanding of each other's point of view." (The National Provisioner,Feb. 11.)

Section 3.

MARKET QUOTATIONS.

Farm Products

All grains sold at new high points on crop during the week. The principal market factors were: Strong Liverpool and Buenos Aires markets, improved flour and milling demand, and bullish crop reports from Southwest and Argentina.

Chicago hog prices advanced 20 to 35¢ per 100, medium and heavy hogs advancing most. Lower grades of beef steers ranged from 25 to 40¢ higher with those selling in the upper registers practically unchanged. Fat cows and heifers steady to strong with lower grades weak to 25¢ lower. Feeding lambs up 25¢. Eastern wholesale fresh meat prices advanced.

Butter markets irregular at beginning of week but steady to firm at close. Cheese markets firm with higher prices at Wisconsin points.

Potato markets slow, dull and nearly steady. Barreled apples held steady; boxed stock higher. Markets for old cabbage slow and dull. Eastern celery markets showed downward trend, Chicago slightly stronger. - Hay markets ruled firm to higher under light receipts. Fairly good demand at most markets. Western feed markets strong; Eastern markets steady but inactive.

Spot cotton up 74 points closing at 17.18¢ per lb. New York March futures up 89 points at 18.18¢.

Feb. 18: Grain market erratic most of session. Chicago May wheat higher at $1.40 3/8; Chicago May corn higher at 62 1/2¢. Cash corn market closed strong; Chicago prices: No. 2 red winter wheat $1.37; No. 2 hard winter wheat $1.35; No. 2 mixed corn 57¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in Central Iowa 44¢; No. 1 dark northern wheat in Central North Dakota $1.32 1/2; No. 2 hard winter wheat in Central Kansas $1.20.

Chicago hog prices up 5¢ to 10¢, bulk of sales $9.90 to $10.35. Medium and good beef steers $7.25 to $9.15; butcher cows and heifers $3.80 to $7.75; light and medium weight veal calves $7 to $11; fat lambs $13.25 to $15.85.

Potato markets slow, dull, and nearly steady. New York sacked Round Whites firm f.o.b. at $1.82 to $1.88. Maine Green Mountains in bulk steady f.o.b. at $1.41 to $1.46 per 100 lbs. New York Baldwin apples A 2 1/2 firm f.o.b. wire orders at $7 to $7.75 per bbl. New York Danish type cabbage steady f.o.b. at $30 to $32 per ton bulk.

Spot cotton up 23 points closing at 17.18¢ per lb. New York March futures up 38 points at 18.18¢.(Prepared by Bur. of Mkts. & Crop Est.)

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Farm Bloc Opens Fight on Sales Tax

Opposition to the plan to establish a sales tax as a means of raising revenue to pay soldier bonuses took on definite and formidable shape among House Republicans, February 20. Twenty-two middle west members, representing their respective States in the farm bloc, met and adopted resolutions, declaring against a sales tax and against adoption of a rule that would prevent a separate vote in the House on the revenue features of the proposed bill. (Press, Feb. 21.)

Tariff Legislation

The Associated Press to-day says: "Differences between Republicans of the Senate Finance Committee and the House Ways and Means Committee over tariff valuation principles were aired yesterday at a three-hour secret conference without any concrete result. The discussion is to be continued today, but neither side last night appeared hopeful of an early agreement... The conference was asked for by the Senate committee majority following the declaration, February 18, of Mr. Fordney that if the Senate sent back to the House a bill carrying a foreign valuation basis as tentatively agreed upon by Senate committee Republicans, the Ways and Means Committee would rewrite the measure on the basis of the American valuation principle and the House would return that to the Senate."

New Muscle Shoals Bid to Congress

The Secretary of War, February 20, sent to Congress the offer of the Alabama Power Company for the Government power plant at Muscle Shoals, Ala. While the offer is not regarded as entirely satisfactory, Secretary Weeks, who has referred the whole matter to Congress for consideration along with the Henry Ford and other offers for this project, said yesterday he thought the Alabama Power Company's offer contained many good points and that it was superior, in some respects, to the Ford offer. Under the terms of the Alabama company's offer, Mr. Weeks explained, the Federal Government would not be required to put any money into the project, the power company completing Dams No. 1 and No. 2 immediately and turning the plant of No. 2 over to the Government for the manufacture of fertilizer. The power company also agrees to furnish the Government free of charge 100,000 horse power of current to be used in the fertilizer plant. (Press, Feb. 21.)

Reserve Board Prophesies Prosperity

Business throughout the country, progressing through well-defined circles, is nearing a point of the upward swing of the economic pendulum, according to the annual report of the Federal Reserve Board, sent to Congress, February 20. "There are those," the report says, "who believe that the beginningof revival is not far distant. When it does definitely set in it will be followed in due course by a new era of prosperity." (Assoc. Press, Feb. 21.)

Non-Partison Labor-Farm Move

"Unanimous support of a new movement to install men and women of the working class in the Nation's legislative halls was pledged by farmers, members of the socialist and farmer-labor parties, labor union leaders and clergymen in a conference at Chicago, February 20, called by a group of railroad union men, headed by William H. Johnston, president of the International Association of Machinists." (Assoc. Press, Feb. 21.

Cooperative Marketing Bill Comment

An editorial in The Commercial and Financial Chronicle for February 18 says: "There were many cloudy conjectures concerning the law. Asked if local associations might not combine into sectional or State, these into national, if not directly, then through appointed agents, thus creating a giant monopoly in foodstuffs, no adequate answer was returned, though one Senator thought that since the farmer member could have but one vote in a company or association, regardless of his monetary interest, this was unlikely, which seems to be no answer at all. Asked if wool growers might combine with grain growers in the same company or association, no definite reply was secured... It is, to us, a peculiar constituent of this measure, and the same is true of the credit associations provided for the farmer by sanction of special law, that there are to be, that is, may be, stock companies and mutual associations without stock... The idea embodied in the bill is to dispense with the profit-making-and-taking intermediaries. Voluntary marketing associations are to make no profits. if so, what comes to the farmer will be the benefit of enhanced prices, though he sell in general markets. Somehow, or somehow else, he is, with empty hands, by local associations, to do business alongside joint stock companies, capitalized, possessing by virtue of capital physical equipments for marketing, companies that must set a price on grain received or bought and disbursed or sold, in order to operate at all, and in justice to farmer-stockholders. And all under the same law. Such financial legerdemain is entirely too quick for the understanding... In fact, this last attempt of the bloc is a leap in the dark. Almost, listening to the debate, it would seem that the enactment is one done in desperation. A crisis, a terrible situation, exists. Something must be done. Is it to make a huge 'gesture'. ..."

Price Current-Grain Reporter for February 15 says: "The Congress has passed the collective bargaining bill giving farmers, planters, horticulturists, etc. the right of combination to fix prices on their products, and at the same time, by this last fillip of sycophant law-making, it has demonstrated its surpassing reverence for democracy as a principle and as a practice, by creating a dictatorship, in the person of the Secretary of Agriculture, to determine, after a prayerful searching of his own conscience, perhaps, what are fair prices and then, as the spirit moveth him, to exercise paternal control over those self-determined prices and to declare by proclamation to what extent the food-producing class shall be permitted to mulct the food-consuming class. ... This might suggest the question: Is it immoral or laudable in the Congress, whose duty it is to secure to all the people some protection against all forms of exploitation, to grant licenses to some to exploit others in trade because, as Senator Norris so frankly said, the executive arm of the same Government can not - or does not - protect the people from the same kind of acts committed by still another class, though made unlawful by the same Congress? For the most cursory examination of the act shows it is not one simply to permit cooperators to go ahead with their cooperating but one to permit the fixing of prices by farmers' organizations, subject only to the check of some person in the Department of Agriculture, it may be the Secretary or only a $1,200 clerk. ... There is opportunity made by the act for certain producers, aided by the impending Fordney tariff act, to squeeze American consumers with prices on certain products."

Section 2.

Agricultural Needs

"The country will never enjoy prosperity so long as the farmers, 47 per cent of our total population, are receiving about one-fifth of the hourly compensation that is paid in industry. Just so long as that condition exists, what the farmer has to buy will cost him more than he makes, and he becomes a poor buyer. There is great need of conferences of great minds to shape policies and of laws to carry out policies. There is great need of farmers' organizations and cooperative organizations to properly market our agricultural products, which will bring to the producer his just share of the price paid by consumers for the products of the farm. The hope of the country is in the farmers' bloc in Congress and the national administration, which is showing an unprecedented interest in agriculture and which pledged itself before the recent conference to lend itself to the solution of the problem now before the farmers, which must be solved before the country may again feel the warm sunshine of prosperity." (Pacific Homestead, Feb. 9.)

Agricultural Prices

The Wall Street Journal to-day says in an editorial: "One sure sign of improvement in business is the better prices being paid for farm products. With the exception of rye, all cereals in the future markets are at or about their peaks for the season. All conditions seem to point to a continuation of better prices with corresponding increases in other farm products. The result should be that the next harvest will greatly increase the puchasing power of the greatest consuming class in the United States... Never since the armistice has the purchasing power of the British pound been at such a discount as the dollar of the American farmer since the summer of 1920. Farm consumption is about 40 per cent of the total of this country, and a serious shrinkage in the income of this class readily accounts for much of our business depression. Higher prices for their products will be almost immediately reflected in bank deposits and increased sales of merchandise of all kinds. The world situation suggests that farm products are making a permanently higher level. Argentina has been counted on to furnish 168,000,000 bushels of wheat, and the last official estimate shows a surplus of less than 93,000,000. Should that country, Australia and Canada move their entire surpluses this season there would still be a deficit. Our own surplus is gone, and the new harvest will come upon a market that is almost bare and dependent upon the United States for more than half its imports of wheat. Oats will be scarce before another harvest, while enforced liquidation of breeding stock should result in a shortage of cattle for the next two or three years, and create a greater demand for corn-fed pork. Never has the world faced such a shortage in cotton as is now appearing above the horizon. For a long time economic and political questions have controlled prices, but the great law of demand and supply must ultimately prevail. The statistical position points to a permanent level of higher prices for farm products which are now so far below the average of others as to seriously derange the business machine. Their advance to a parity with others will be a benefit to all classes and interests."

Freight Rates on Dairy Products

Argument for reduction in rates on butter and other dairy products was made before the Interstate Commerce Commission hearing on the general rate situation, February 18, by M. S. Hartman for the American Association of Creamery Butter Manufacturers, who held that these products now pay an excessive amount. Mr. Hartman calculated that the freight cost averaged 3.15 cents per pound to furnish butter to New York City. E. I. Nathans, Secretary of the New York Milk Conference Board, asked the commission to lower railroad rates on fluid milk to the general levels of 1917. Mr. Nathans said that the recent freight rate reduction of 10 per cent, on farm products had not been applied to fresh milk. (N. Y. Times, Feb. 19.)

Fruit from Chile

Chile now contributes considerably to New York's Winter supply of fresh fruits and vegetables, and it is learned that the Chileans have made arrangements to export these commodities to the United States on a much larger scale. Experiments with small shipments have proved conclusively, it is said, that fruits and vegetables can stand the trip from that country. Included in initial shipments were peaches, melons, grapes, cherries, plums, apricots and asparagus. A steamer to arrive here on Feb. 27 will bring several thousand cases of fresh Chile peaches. The Chilean growers plan to make shipments to New York from Oct. 15 to May 15 of each year. (N. Y. Times, Feb. 19.)

World Wheat Marketing Organization Plan

A dispatch from Sydney, N.S.W., to the Philadelphia Public Ledger to-day states that it is reported that plans are maturing at Sydney for a world-wide cooperative wheat-marketing organization, which eventually will control the American, Canadian and Australasian crops. Mr. Trethowan, chairman of the voluntary wheat pool, will go to London, Canada and the United States to consult with the wheat organizations in those countries concerning the plan.

Section 3.

Department of Agriculture.

"When the extra session of Congress closed in November last, no provision was made for continuing a number of Government publications, among them the Market Reporter and National Weather and Crop Bulletin, weeklies, and the Monthly Crop Reporter, issued by the Department of Agriculture. These publications were suspended during December, but later on the December number of the Monthly Crop Reporter was published with the yearly index, completing the yearly volume, and since Jan. 1, four weekly numbers of a publication called Weather, Crops and Markets have been appearing. Theoretically this publication is a consolidation of the three mentioned above. ... The upshot of it all is that the exceedingly valuable statistical data of the Bureau of Crop Estimates hitherto published in the Monthly Crop Reporter have been practically shelved to all intents and purposes - subordinated to the week-old market reports put out by the Bureau of Markets. The Price Current-Grain Reporter, in common with others, has in the past used the data of all three of these publications, though least of those contained in the Market (Cont'd on page 5)

Department of Agriculture

(Cont'd)

Reporter, because most of these data are not worth reprinting and can be found more quickly in the grain and live-stock exchange bulletins sent by the trade to all customers, as well as obtained from our own correspondents, but the statistics of the Bureau of Crop Estimates can not be obtained elsewhere. They have been of incalculable value, and instead of being smothered into faddery of the Bureau of Markets, they should be extended and published separately from all extraneous matter, as this material was in the old Monthly Crop Reporter." (Price Current-Grain Reporter, Feb.15.)

Section 4.

MARKET QUOTATIONS.

Farm Products

Feb. 20: Grain market had strong undertone throughout, Chicago May and July wheat going to new highs at $1.46 1/2 and $1.28 respectively. Chicago May wheat closed at $1.46 3/8; Chicago May corn 63 1/2¢. Visible supply wheat 42,092,000 bushels, a decrease of 25,000 bushels for week. Visible supply corn 36,924,000 bushels, an increase of 2,152,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat $1.43; No. 2 hard winter wheat $1.41; No. 2 mixed corn 58¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in Central Iowa 45¢; No. 1 dark northern wheat in Central North Dakota $1.35¢ No. 2 hard winter wheat in Central Kansas $1.23.

Chicago hog prices steady, bulk of sales $10 to $10.50. Medium and good beef steers steady at $7.25 to $9.15; butcher cows and heifers steady at $3.90 to $7.75. Light and medium weight veal calves steady at $7 to $11. Best fat lambs up 25¢ at $13.50 to $16.10.

Chicago potato market firm; other markets nearly steady. New York sacked Round Whites steady at $1.82 to $1.88. Maine Green Mountains in bulk f.o.b. at $1.41 to $1.46. New York Baldwin apples A 2 1/2 firm f.o.b. wire orders at $7.25 to $7.50 per bbl. Danish type cabbage $30 to $32 per ton bulk f.o.b. Western New York points.

Hay market conditions and prices practically unchanged. Wheat-feeds show easier tendency with mills eagerly offering March and April shipment feed.

Butter markets steady with little change in prices. Cheese markets also steady.

Spot cotton up 22 points closing at 17.40¢ per lb. New York March futures up 26 points at 18.44¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 20: Average closing price 20 industrials 84.85, as compared with 75.10 corresponding day 1921; average closing price 20 railroad stocks 77.61 as compared with 73.87. (Wall St. Jour., Feb. 21.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 44. Section 1. February 23,1922.

Seed Grain Legislation — The Senate Committee on Agriculture and Forestry, February 21, ordered a favorable report on a bill to appropriate $5,000,000 for the purchase of seed grain for relief among farmers in crop-failure areas, to be distributed under the supervision of the Secretary of Agriculture. (Press, Feb. 22.)

Tariff Legislation — Senate Finance Committee Republicans turned aside February 22 from the valuation question to consider controverted specific rates in the proposed permanent tariff bill. Chairman McCumber said he did not expect a decision on valuation this week. Senator Smoot gave it as his opinion that if there was a compromise as between the House and Senate on the valuation question, it would be on the basis of an assessment of duties on the wholesale selling price of imported goods in American markets. He said sentiment in the committee seemed to favor the American selling price basis as a compromise. (Press, Feb. 23.)

Sales Tax for Bonus — It seemed likely, February 22, that the subcommittee considering bonus legislation would report a bill, embodying the basic ideas of the Canadian sales tax, to the Republican members of the House Ways and Means Committee within two weeks. Prominent members of the subcommittee said they could see no other way of paying the bonus at this time, though some members still object strongly to such a tax. The Canadian system, it was explained, involved no direct tax upon the consumer or the retailer, nor could it be construed as a turnover tax, and for these reasons, it was said, it appealed to the majority of the subcommittee as a way out of a vexatious difficulty. (Press, Feb. 23.)

Muscle Shoals — Three alterations in the proposal made by Henry Ford for lease and purchase of the Government's nitrate and power projects at Muscle Shoals, Ala., have been agreed to by the Detroit manufacturer. They are: First - To write into the proposed contract a definite guarantee to produce fertilizers in their finished form at a given annual minimum tonnage; Second- To capitalize the operating company that is to be created for the purpose of supervising the Muscle Shoals operations; Third- To revise the language of the so-called farmers' clause in order to insure the delivery of fertilizers from the producing plant to the consumers at a profit not exceeding 8 per cent, based on the cost of manufacture. Mr. Ford's approval of these modifications was announced February 22 by W. B. Mayo, chief engineer for the Ford Company. (Cont.p.2)

Gray Silver, Washington representative of the American Farm Bureau Federation, testified, February 22, before the House Military Affairs Committee, that the 1,500,000 farmer members of that organization had "unreservedly indorsed" the Ford offer and had full confidence they would get cheaper fertilizers and other commodities if he would manufacture at Muscle Shoals. (Press, Feb. 23.)

Chicago Farmer-Labor Conference Plan

"Harmonious action developed in the February 21 conference at Chicago of representatives from farmer and labor blocs, railroad and miners' unions, Socialists, Farmer-Labor party leaders and others dissatisfied with America's present political leadership, resulting in appointment of a national committee to meet in New York, December 11, to organize what is expected to be a new political party." (Assoc. Press, Feb. 23.)

Prices

Wholesale prices on the average approached slightly nearer the 1913 level in January, according to information made public, February 21, by the Bureau of Labor Statistics of the Department of Labor. The bureau's weighted index number, based on 100 for the 1913 whole price level, stood at 148 last month, compared with 149 in December and 177 in January, 1921. Prices generally last month represented a decline over the same month of a year ago of 16 per cent. Of all commodity groups, agricultural products alone showed an advance in prices during the month, gaining approximately 2 3/4 per cent. (Press, Feb. 22.)

Marketing Bill Comment

An editorial in Southern Planter for February 15 says in part: "The cooperative associations organized under the Federal law will be the most truly democratic associations ever constituted. ... The authority is placed with the Secretary of Agriculture to determine when trusts are created or unfair practices applied. This makes it essentially desirable that future Secretaries of Agriculture shall be friendly to farmers and favorable to their organizations; otherwise the law would be a worthless document. A Secretary of Agriculture is lower court and supreme court. He decides and there is no appeal from his decision. ... So, while the bill is a great step forward and a wonderful victory for the agriculturists at Washington, it must not be overlooked that its value to agriculture rests finally on the nod of him who carries the agricultural portfolio in the President's cabinet."

The Nebraska Farmer for February 18 says in an editorial: "The legalization of cooperative marketing by farmers should hasten its growth in this country. The fear that exists in many persons' minds that cooperative marketing will result in a monopoly of food products by farmers is without justification, we believe. This fear arises, we believe, from a feeling that cooperative marketing will prove more efficient and beneficial both to producers and consumers and thus eliminate some of the existing marketing practices rather than from the belief that farmers will form a huge agricultural combine, fix prices and wreck the world markets. Farmers as individuals never could hope to enter the field of marketing of their own products, and the selling of their crops through an association owned and controlled by them is not different in principle from the pooling of unlimited capital by numerous individuals in the form of a big corporation to manufacture raw products or engage in any business wherein large scale production or large capital means efficiency, and profit to the stockholders. It is not possible that farmers ever could form a monopoly, if they wanted to, around food products. They are not so fortunate in having a corner upon natural resources of the earth as are some of their brothers in big business."

Section 2.

Agricultural Financing

The War Finance Corporation announces that from February 16th, to February 18th, 1922, inclusive, it approved 170 advances, aggregating $4,570,000, for agricultural and live-stock purposes in 25 States. During the week ending February 18th, 1922, corporation approved a total of 357 advances, aggregating $10,305,000, for agricultural and live-stock purposes. The corporation also has approved the formal application of the Burley Tobacco Growers' Association of Lexington, Kentucky, for an advance of not exceeding $10,000,000. (W.F.C. press statement, Feb. 21.)

Agricultural Outlook

1. "Higher Prices for Farm Products" is the title of an editorial in The Financial Age for February 18, which says: "The farmer is coming into his own again. He is experiencing unexpected good fortune. With wheat prices advancing sharply and corn displaying marked strength as compared with its previous weakness, the position of many farmers throughout the country has been immensely benefited. All this means much for the Nation as a whole because after all is said and done the farming classes supply most of the Nation's buying power. It stands to reason, therefore, that whatever influences conspire to impoverish the farmers are effective in decreasing the Nation's buying power and the Nation's prosperity. On the other hand whatever happens to advance the price of farm products has just the reverse effect with the result that the country is sure to benefit from the turn in affairs. The average man whose idea of finance is controlled by the fluctuations on the New York Stock Exchange has little idea of the significance of a sharp rise in hog prices. But the fact is that the hog has long been one of the best friends that the farmer has. He has been a source of revenue for years past and it is a fact that the great American hog to-day is bringing more money than any other animal when the care and production expenses are taken into account."

2. "On the Up-Grade" is the title of an editorial in New England Homestead for February 18, which says: "The outlook for farmers is better. Potatoes are moving at somewhat better prices. Wool continues firm at advancing quotations, and buyers are now scouring the southwest, Pacific and mountain states seeking to contract for the new clip at 25 cents a pound. Woolen mills throughout the country are cutting wages again so as to reduce the cost of production to offset increasing price of wool, and still leave a little profit after selling cloth at prices consistent with the times. ... Nothing less than sensational are the profits which are being cleaned up by farmers who bought sheep and lambs at low prices on the break in August and September, fattened them this winter on cheap corn, oats and hay, and sold at a price per pound more than double the original cost, besides having the revenue from the increased weight. This has been one of the most sudden changes from loss to profit ever known in agriculture. Prices have been coming down for what farmers buy. A veritable price war is now being waged in the tractor market. Other implements and machines, nursery stock, seeds, fertilizer, other supplies and freights nearly all show a downward tendency, while many are cheaper already. ..."

Agriculture in Congress

"The Latest Agricultural Victory," by Rodney Bean, is the title of the leading review in The Annalist for February 20. This says in part: "Perhaps no legislation adopted by Congress has illustrated more strikingly the influence which fear of the West has had upon the Senate and House in recent months than the act to authorize associations of producers of agricultural products. Standing by itself, the fact that such a piece of legislation could get through the upper branch without serious protest, and by the surprising vote of 58 to 1, brings home with startling emphasis the trend away from the old order of things and the dawning of a new legislative era. And yet it is but one of a series of bills advocated by the agricultural interests and backed by the agricultural bloc which has received favorable action. There is a situation now in Congress which may well claim the attention and study of students of things economic who are looking ahead and endeavoring to picture conditions in the United States as they will be found within the next few years. For the moment agriculture is in the saddle, and its representatives have obtained many concessions which, a few months ago, they had scarcely hoped to win. If permanent tariff legislation is adopted before the next Congressional elections there is every reason to believe that the farmer interests will have a vital part in shaping it. There can be no development in political or official circles in Washington now unless the agricultural interests play a dominant part. ..."

Canadian Agriculture and Politics

"Two of the big farm organizations of Canada, the United Farmers of Manitoba and the United Farmers of Alberta, have passed a resolution providing that members of either the Provincial or Federal Parliament may not hold office in the association. This is a radical change in the policy of the Canadian farm organizations, which have always been closely linked up with political movements. As a matter of fact, T. A. Crerar, leader of the progressive farmers' party in the Federal Parliament, is also the president of the United Grain Growers, the leading farmers' grain marketing company in Canada. The Canadian farmers seem to have decided that organizations formed for economic ends ought not to run any risk of being made over into political machines. While they attach far more importance than the farmers of the United States to the need for political representation, the Canadians seem to be coming to the view that one organization and one set of leaders can not handle both groups of problems. This decision from these groups of organized farmers who have tried out the dual form of political and economic organization for some time is a justification of the attitude that such organizations as the American Farm Bureau Federation have adopted from the beginning. Reform in economic fields is the primary job of farm organizations. Political action is justified only so far as it is needed to obtain permissive legislation to put reforms into effect." (Wallaces' Farmer, Feb. 17.)

Corn Market in the Levant

"American business men of Constantinople are endeavoring to create a market in the Levant for the surplus corn that American farmers are burning. Seventeen public institutions have agreed to make a month's trial of corn products, substituting them for wheat and rye. This experiment will be followed by the importation of

several shipments of corn grits for the general market. It is believed that the efforts will be successful, as wheat and rye are not only scarce, but a saving of 75 per cent can be effected through the use of American corn." (Constaninople dispatch to N.Y. Times, Feb. 21.)

Farmer's Buying Power

"It is significant to hear business men, when asked nowadays for opinions upon the future trade prospects, almost invariably point out the recent increase in the price of corn, wheat and live stock to the farmer and give that as the chief reason for an improvement in the business outlook. We can remember not long ago when many business men apparently had little thought of the farmer's prosperity as a regulator of their own. Now the situation is different and it is plain to be seen that people of the towns and cities are beginning to realize how dependent their own business is upon that of the farmer, and that the lack of the farmer's buying power has been a big factor in the general depression throughout the country. With an advancement in prices for farm products they expect the farmer once more to be a large buyer of their products." (Nebraska Farmer, Feb. 18.)

Foreign Trade

"The farmers of Sweden are having a hard time. What is the trouble? This is the answer of a Swedish paper: 'The situation is explained by the enormous imports from America, practically a dumping process, which has made the customs duties ineffective.' A movement is on foot looking toward the prohibition of the importation of foreign wheat and flour. Our export trade in farm products finds itself blocked from profit-making in dealing with both of the groups of countries into which Europe, economically speaking, can be divided. Sweden is typical of one group; Russia of the other. The second group needs our grain, but has no credit. The first group has credit, but has also a heavy home production of farm crops, which makes it necessary for American food products to sell at a low point, if they sell to those countries at all. What is the remedy? The advancing of credit to those countries which need our grain is possible, and in some cases justifiable. Yet it must be remembered that these countries can afford to buy only at a low price, and that their demand at even those prices is conditioned on a political and economic readjustment that is still far off. The main difficulty seems to be that the United States and those other countries which are again on a stable basis are still producing at top speed for a war-time market which no longer exists. We have failed to see clearly enough that the need for a speeded up production is over. The only adequate solution for the situation is to get back to a peace-time basis in our farming program." (Wallaces' Farmer, Feb. 17.)

St. Lawrence Canal

Major-General Goethals expressed himself as in opposition to the proposed St. Lawrence ship canal, according to a statement in New York Commercial, February 21. He said that the project is visionary, impracticable and never can succeed, and declared that the opposition of New York State to the scheme is not narrow or sectional, but is "in the interests of the entire country."

The same issue contains an editorial on the subject, which

says: "Governors Nathan L. Miller, of New York, and Henry J. Allen, of Kansas, are to debate the Great Lakes-St.Lawrence deep waterway project before the National Rivers and Harbors Congress at the annual meeting of that organization in Washington on March 1. ... The Commercial believes that both projects are necessary for the welfare of the country at large. With the New York Barge Canal used to its fullest capacity it will not be able to care for all the business that could be offered to it by the western States. The fact that eighteen States are strongly in favor of the St. Lawrence canal gives it sufficient backing to entitle it to the most careful consideration by Congress. The further fact that its water power development can furnish electrical power for the operation of the New York State canal at a minimum of cost indicates how well the two projects can be made to dovetail."

Section 3.

MARKET QUOTATIONS.

Farm Products

Feb. 21: Grain prices reached new high points Chicago May wheat selling $1.47 1/2, but later sold off on profit taking to even up for holiday; Chicago May wheat closed at $1.45; Chicago May corn higher at 64 1/4¢. Export demand main factor in corn advance. Closing prices in Chicago cash market: No. 2 red winter wheat $1.42; No. 2 hard winter wheat $1.39; No. 2 mixed corn 59¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in Central Iowa 46¢; No. 1 dark northern wheat in Central North Dakota $1.39; No. 2 hard winter wheat in Central Kansas $1.23.

Chicago hog prices higher, bulk of sales $10.10 to $10.60. Medium and good beef steers steady at $7.25 to $9.15; butcher cows and heifers steady at $3.90 to $7.75. Sheep and lambs generally steady to strong, fat lambs $13.50 to $16.25.

Chicago potato market slightly weaker, other markets about steady. New York sacked Round Whites weaker f.o.b. shipping points at $1.81. Maine Green Mountains in bulk weak f.o.b. at $1.36 to $1.46. New York Danish type cabbage dull f.o.b. Western New York points at $30 per ton. Baldwin apples A 2 1/2 firm f.o.b. at $7.25 per bbl. Delaware and Maryland yellow sweet potatoes $1.60 to $1.85 in Baltimore, Philadelphia and New York.

Spot cotton down 12 points closing at 17.29¢ per lb. New York March futures down 21 points at 18.23¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 21: Average closing price 20 industrials 85.81; average closing price 20 railroad stocks 78.08. Holiday corresponding day 1921. (Wall St. Jour., Feb. 22.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 45. Section 1. February 24, 1922.

Seed Grain Legislation

The Senate, February 23, passed a bill by Senator McCumber, appropriating $5,000,000 for loans to farmers for purchase of seed grains in crop-failure areas. The bill now goes to the House. (Press, Feb. 24.)

Agricultural Bloc Leader

The Washington Post to-day says: "Senator Kenyon, before leaving the Senate, February 23, called a meeting of the agricultural bloc for this afternoon, at which a new chairman to succeed himself will be chosen, presumably Senator Capper."

Muscle Shoals

Plans for closing Congressional hearings on Henry Ford's offer for purchase and lease of the Muscle Shoals, Ala., project this week and beginning on Monday consideration of the proposal submitted by the Alabama Power Company were disarranged by an agreement of the House Military Affairs Committee, which would extend the Ford examination into next week.

Representative Huddleston, of Alabama, declared on the floor of the House, February 23, that 99 per cent of the people of Alabama urged acceptance of the Ford proposal. (Press, Feb. 24.)

Governor Kilby, of Alabama, during the celebration of Auburn Alumni day, February 23, stated that he had been urged by a number of business men to submit an offer to the Government on behalf of the State of Alabama for Muscle Shoals. Governor Kilby declared that he is highly in favor of the proposition. (Assoc. Press, Feb. 23.)

Cotton

A special report on the cotton situation just issued by the First National Bank in St. Louis concludes that cotton is in a stronger position fundamentally than it has been for some time, and as a consequence the price should be fairly stable soon. The report estimates the 1921 consumption at 14,143,000 bales, but assumes that consumption for the next few years should be in the neighborhood of 19,000,000 bales. The report says: "The world's population has undergone no material change in recent years, and new uses for cotton are continually being found. It should be fairly safe to predict that as conditions the world over improve economically the dominant influence affecting cotton should be that of a steady increase in the demand." (Press, Feb. 24.)

Cooperative Marketing Bill Comment

"The passing of this bill will remove the last possible legal obstacle to the economic organization of farmers for the orderly marketing of their products. Its passage also marks a governmental recognition of the business needs of the country's great basic industry which is epochal in character, and for which the farmers of the country are indebted not only to the authors of this bill but as well to the other senators and representatives who are identified with the so-called 'Agricultural Bloc' which has had a most important and constantly growing influence in national legislation during recent months." (The Michigan Farmer, Feb. 18.)

The Michigan Business Farmer for February 18 says in an editorial reviewing the bill: "As is to be expected, the measure has been criticized by the grain gamblers as class legislation. But the Nation at large is beginning to learn that what benefits the farmer benefits all."

Section 2.

Acreage Reduction

In an extensive article on "Burned Corn and Idle Acres," in Survey Graphic for February, H. L. Russell, Dean, Wisconsin State College of Agriculture, says: "The question of reduced acreage of any particular crop is purely a problem of economics. The best deterrent to continued production is a low price for the product. Agitation makes a loud noise in the press but it produces a minimum result in face of profitable crop returns. ... The obvious conclusion of these suggestions is a better balanced agriculture. Each section should strive to grow those crops which it can grow most economically, but in place of developing any one crop largely to the exclusion of other crops, it should diversify its agriculture to reduce the risk. Forages should be grown in sufficient abundance to maintain a proper live-stock balance. Concentrated feeds will need to be imported to maintain a balanced ration, but no agriculture can sustain itself if it pays out large sums of money for raw materials. Where grain crops are produced, part of them at least should be manufactured further into live-stock and dairy products to convert especially the unavailable animal provender into available human food. Such diversified farming means greater security and a more permanent agriculture."

Agricultural Financing

"If the letters that are coming to The Montana Farmer from the farmers and stockmen of the State tell the true situation regarding the War Finance corporation loan plan as it is wonking out in Montana, the plan is proving to be just one more disappointment to the men on the farms. In a number of cases bankers have told their clients very frankly that they do not propose to handle the loans for the two per cent interest the plan allows them. Only a very few instances have come to our attention where the local bankers are making full use of the plan for the benefit of the farmers." (Montana Farmer, Feb. 15.)

Business Situation

Theo. H. Price says in his weekly review, in Commerce and Finance for February 22: "Unquestionably the most important event in the business world last week was the sensational rise in the price of wheat, which sent the May contract in the Chicago market up to $1.41\frac{3}{4}$ on Wednesday. It is true that by this time the farmers have sold most of last season's harvest and therefore will not be directly benefited until the 1922 crop is marketed, but the advance is nevertheless significant. In connection with the rise in other grains, as well as in pork and cotton, the strength of the stock market and

further decided easing in money rates, it tends to confirm the diagnosis previously made in these articles that we are at the beginning of a period of credit expansion induced by the conversion of assets hitherto 'fixed' into marketable securities. ... When the stock market and most of the great commodity staples move one way at the same time it is safe to assume that some underlying common cause whose effect is general is lifting them, and there is no immediate likelihood that the cause will be removed nor its effect averted."

Farm Loans in Canada

A dispatch from Ottawa to The Journal of Commerce for February 21 says: "Although several of the provinces of Canada have committed themselves to governmental farm loan projects, it would seem that Saskatchewan is the first to awaken to the possibility of serious losses resulting from governmental experiments in the banking field. In financial circles where banking methods are followed closely the prediction has been general that if the provincial governments in their farm loan schemes departed far from approved banking methods they would shortly experience the same losses and difficulties which had been experienced by banks under like circumstances. In fact, the prediction has been that the Government would experience even greater losses for the very reason that it is a government and not a private institution. The statement is made that almost from the start collections of interest failed to the extent of about 20 per cent of the amounts due. Shortly this became 40 per cent, and in 1920 the defaults reached 54 per cent. During 1921, including interest and arrears, only 37 per cent of the amount due was collected."

Farm Tenancy

"Our Submerging Farmer" is the title of an article by E. E. Miller, in The Nation for February 22, which says in part: "Between 1910 and 1920 the number of farms in the United States increased from 6,361,502 to 6,448,366, a gain of 86,864, or 1.4 per cent. In this same ten years the number of farms operated by their owners decreased 23,627 or 0.6 per cent; the number operated by tenants increased 100,-070, or 4.2 per cent; and the number operated by hired managers increased 10,421 or 17.9 per cent. The total acreage of the country's farms increased in the decade 8.7 per cent. The acreage operated by owners increased 6.3 per cent; that by tenants, 17.1 per cent; that by managers, 0.5 per cent. These figures can mean but one thing: the farm lands of the United States are steadily passing from the ownership of the men who till them, the real farmers, into the hands of men who hold them as an investment or for speculation. The percentage of owner-managed farms in 1920, 60.9 per cent, is the smallest on record. The agricultural depression of the last year and a half will transfer thousands more farms from the owner-tended to the tenant-tended group. But while 'hard times' accelerate this process they are not its primary cause. The movement is continuous, more rapid in bad times, but none the less constant in good times. The tenant-farmer, like the poor, we have always had, and are likely to have with us. Tenancy may be one stage in the progress toward farm ownership. It is often better for the farmer with insufficient capital to operate a few years as a tenant rather than assume too heavy a load of indebtedness. He thus leaves more of his capital free for farming operations and is likely to get ahead faster than if he tied up his money in land. But -- and this is the nub of the whole situation -- it is increasingly difficult for the tenant to graduate into the farm-owning class. More years must

be spent as a tenant than formerly; more tenants fail to make the change; more land-owners drop back into the tenant class; more farming lands pass into the hands of men who are not themselves farmers. ... The remedy is to check the increase in land values by shifting taxes from the products of the farmer's labor -- his crops, live stock, buildings and other improvements on the land -- to the site value of the land itself. This would at once make easier the acquisition of land by the non-owning farmer and make less profitable holding it purely as an investment. The speculator, knowing that increase in land values would be largely absorbed by increased taxes, could not afford to hold land out of use. The landless farmer could buy land, especially unimproved or partially improved land, for a fraction of what it now costs him and he would escape the burden of greatly increased taxes whenever he added to its value by his own labor. ... "

Grain Rate Cut

Reductions in grain rates by the Soo Line are expected to hasten the marketing of grain held in store at Minneapolis, Minn., for the opening of lake navigation. The reductions are 8 cents a hundred pounds on domestic shipments and 11 cents a hundred on export shipments. (Press, Feb. 21.)

Live-Stock Rates

Sharp reductions in the railroad rates on live stock were urged in the Interstate Commerce Commission's general rate hearings, February 21, by producers of cattle and hogs and the National Live-stock Exchange. Chicago meat packers and their competitors in other parts of the United States seconded the argument of the producers as to the necessity of lower rates. (Press, Feb. 22.)

Margin and Profit

"A good many people confuse margin with profit, and a striking illustration in United States Government is a particularly graphic citation. If we accept the unproved and unchecked statements of Attorney-General Daugherty at their face value, but one conclusion can be reached -- that he has confused margin with profit. When the spread between wholesale and retail prices amounts to 10 or 20 per cent, or even 100 per cent, no man who is at all familiar with meats, or shoes, or woolen socks, would think of taking this margin as the premises for a profiteering argument or charge. But this has apparently been done by the Department of Justice, which has mistaken the shadow for the substance. ... Margin and profit are not only not the same thing but there is a big difference between them. In fact there is all the difference between making and losing money. ... A lawyer may be successful without a knowledge of these fundamentals of business, but the butchers and all other merchants certainly cannot afford to lose sight of their true meaning." (The Butchers' Advocate, Feb. 15.)

Section 3.

Department of Agriculture

"Delegates to the recent national agricultural conference in Washington were rather surprised to find in that city a rather definite public opinion that strong efforts will be made, in connection with the proposed reorganization of governmental departments, to take away from the U.S. Department of Agriculture a large portion of its present organization. For instance, it is proposed to transfer the Bureau of Markets, the largest bureau of the department, over to the Department of Commerce. It is proposed also to transfer the Bureau of

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 46. Section 1. February 25,1922.

Sales Tax Rejected for Bonus

Rejecting, 7 to 2, a proposition to pay the soldiers' bonus by means of a sales tax, the special subcommittee of Republican members of the House Ways and Means Committee was understood to have gone on record February 24, 5 to 4, in favor of reporting out an adjusted compensation bill without any provision for raising the revenue. Chairman Fordney, who was a leading factor in the action taken, and his friends, were induced to retreat, it is said in to-day's New York Times, "because they had become convinced that the farm-labor bloc had sufficient votes in combination with the Democrats to prevent the passage of the bonus bill on the lines of the President's recommendations. The farm bloc leaders informed Mr. Fordne that they would not continue their opposition to bonus legislation if the sales tax were eliminated and the measure presented to the House without taxation features." The plan of Mr. Fordney and the opponents of the sales tax is to report the bonus bill, containing only administrative provisions, with the hope of passing an appropriation bill later, possibly about June 15.

Senate Committee to Inspect Muscle Shoals

The Senate Committee on Agriculture and Forestry was authorized, February 24, to make a personal inspection of the Muscle Shoals project and the expense allowance increased to permit of other senators making the trip if so inclined. (Press, Feb. 25.)

Senator Capper Bloc Leader

Senator Capper, February 24, was unanimously elected as chairman of the unofficial agricultural bloc of the Senate, succeeding former Senator Kenyon. (Press, Feb. 25.)

Genoa Economic Conference Postponed

"President Harding has been given to understand that the Genoa conference has been postponed, it was announced at the White House, February 24. ... The long-awaited French note to this Government concerning the Genoa conference is now in the hands of State Department officials, according to a State Department announcement, February 24." (N. Y. Times, Feb. 25.)

Purchase of Butterfly Collection Proposed

Purchase by the Government of the lepidoptera collection of William Barnes, of Decatur, Ill., said to be the most complete display of North American butterflies and moths in existence, was proposed in a bill introduced February 24 by Representative Moore of Illinois. (Press, Feb. 25.)

Cooperative Marketing Bill Comment

An editorial in Pacific Rural Press for February 18, says in part: "In the hands of the Secretary of Agriculture is placed authority to pass on the proposed plans of associations. At any time he has reason to believe such group marketing is developing monopolistic control of certain products, he shall warn the offenders, then order action against them in the courts. So long as the organizations keep clear of the taint of monopoly, they will not be interfered with. It seems to us that this is a wonderfully clear demonstration of the attitude of the public mind toward the claim of food producers that they are entitled to market their products by their own associated efforts and enterprises and must not be forced to turn over their products to the domination of product traders and product gamblers. It is also very clear recognition of the fact that the producers' motives are those which minister to public service and public welfare and not to self-aggrandizement -- which is a fundamental justification of the elimination of cooperative selling by producers from the categories of trusts and monopolies. Such a public attitude is safeguarded by provision that cooperative organizations must, however, act righteously and not transgress the principles of consumers' rights to be well-fed at a fair price. ... It is eminently right to place the initiative toward such determination and regulation in the hands of the Secretary of Agriculture, who has the command of the agricultural point of view and can understand the issues involved in the effort to secure fairness to farmers as a surety of the continuation of their indispensable work."

The Pennsylvania Farmer for February 18 says in an editorial: " ... The public is safeguarded by the provision that all organization plans must be submitted to the Secretary of Agriculture and approved by him before they can be put into operation. It is now up to the farmers themselves to realize on the privilege. The existence of such a law will not of itself add one penny to the returns of the farmer. Results will only be obtained by the formation of sane business organizations which the farmers themselves must form and conduct in a business-like way. The law offers the possibility of carrying farm products more economically, and closely and directly to the consumer, but the machinery for doing this must, in most cases, yet be created -- the law does not do it. To realize the full benefits of the privileges gained there must be developed a more general and a more loyal spirit of cooperation than has ever existed among farmers. It will necessitate the adoption of uniform grading and packing laws. It will mean the subjecting of personal whims and habits to a common standard. It will call for the employment of capable managers and the payment of competitive salaries. If all these, and more, are realized as necessary and approved, the new marketing law is a long step in the direction of better times on the farm. If not, farm marketing will move along in the same old way. Will farmers use the new law?"

The Indiana Farmer's Guide for February 25 says: "The passage of this bill is considered to be a great victory for organized agriculture and for the agricultural bloc in Congress which fought long and hard for it. It is expected that the marketing program of the American Farm Bureau Federation will now be developed and that farmers will have full opportunity to prove the real benefits of cooperative marketing."

Living Costs Decline

Lower prices for food and slight reductions in clothing and fuel combined to bring the cost of living in the United States 2.3 per cent nearer "normal" during January, the National Industrial Conference Board announced in New York, February 24. At the peak of postwar inflation it cost the average American family 104.5 per cent more to live than in 1914. On February 1, according to the report, this had been reduced to 57.7 per cent above the 1914 level. (Assoc. Press, Feb. 25.)

Section 2.

Agricultural Financing

The War Finance Corporation announces that on February 20, and 21, 1922, it approved 116 advances, aggregating $3,462,000, for agricultural and live-stock purposes in 23 States. (W.F.C. press statemen Feb. 24.)

Cooperation and Mr. Howard

"Everyone who knows J. R. Howard, president of the American Farm Bureau Federation, is ready to swear by his integrity and high character. Within the last few years Mr. Howard has been studying economics, but unfortunately before he took up this subject seriously, he became 'sold' on the subject of cooperation and other things, with the result that his conclusions are sometimes strangely mixed. In a speech delivered at a farmers' week meeting at Columbus, Ohio, recently, the difficulties Mr. Howard is having were illustrated. 'Personally,' he said, 'I approve that constructive radicalism which provokes serious thought. It spells progress. I will go the limit regarding cooperative marketing and Government supervision of all public utilities Here we have the enthusiast, the frank statement of the cooperative organizer. Such a statement as we might expect from the president of the American Farm Bureau Federation. But in the next breath the student of economics comes to the top. The economist finds a necessity for qualifying this outburst, 'But I must draw the line,' he declared, 'on an 'ism" that is destructive and not constructive, particularly if destructive of that greatest of all human agencies -- personal initiative. I deplore a growing tendency on the part, not only of some farmers, but other men in high places, to stress the functioning of Government too much and of individual too little,' On the one hand he favors cooperation, on the other he extols personal initiative. In one breath he lauds Government supervision, in the next he deprecates the stressing of the functioning of Government. Just how he reconciles these opposites in his mind does not appear. Perhaps he does not try to. ... Just what would have happened to the cooperative movement without the full support of the Department of Agriculture operating through the county agents? Certainly, it would not have been as widespread as at present, nor would the farmers be in such receptive mood for the Grain Growers, wild as their claims have been. Government propaganda has been the backbone of the movement and Mr. Howard's official position is a child of that functioning of Government. ... We predict that inside of 10 years, if Mr. Howard keeps up his studies, he will be as strong for individualism as he is now for cooperation." (The American Elevator and Grain Trade, Feb. 15.)

Corn Acreage

"Farmers have been talking about reduced production as a means of increasing crop returns. The principal crop for which a reduction in acreage is advocated is corn. If the production of corn is out of balance with the production of live stock the situation should be corrected, but we do not believe that any improvement will result either in the state of the country or the position of the farmer by a general curtailment of production. The farmer can gain but little by higher prices for reduced output. The farmer's investment in land and equipment is the same whether he grows a full crop or a short one and he does so much of the farm work himself that the difference in outlay is comparatively small." (The Seed World, Feb. 17.)

Farm Income

An editorial in to-day's Wall Street Journal says: "Mine and railroad workers are combining to secure 'adequate' wages. ... In such circumstances it might be well to study a report issued by the National Bureau of Economic Research. This reveals the startling fact that the tillers of the soil, upon whom we depend for the most fundamental needs, are receiving an income of about 63 per cent that of the average of all gainfully employed without reference to hours of labor. The bureau reduces all incomes to a common basis of the purchasing power of a dollar in 1913. In 1918 the farmer received $70 more than the general average, but in 1919 the spread was reduced to $9. The shrinkage of farm prices in 1920 reduced the purchasing power of his income to an average of $540, while that of all gainfully employed was $850. The research did not extend into 1921 prices. ... At the agricultural conference, J. R. Howard, president of the American Farm Bureau Federation, quoting from statistics obtained from the Railroad Labor Board, stated that the railroad worker was averaging $1,650 a year. On a most liberal allowance for the difference in cost of living, the railroad man working eight hours a day receives twice as much as the farmer and his whole family laboring without regard to hours. Also, the average of all workers is 56 per cent more than the farmer's. ..."

Radiophone Communication

"The importance of the radiophone to the people of the country cannot at this time be fully appreciated. But next to the automobile it will work the greatest transformation in rural life of any recent invention." (From editorial in The Michigan Business Farmer, Feb.18.)

Russian Situation

An extensive review of "What Next in Europe?" by Frank A. Vanderlip, in Commerce and Finance for February 22, quotes the following from Mr. Vanderlip's book: "Not even among representatives of the Soviet Government did I find any optimism in regard to an early return of economic prosperity in Russia. The economic degeneration was frankly admitted, although the causes for it were attributed to the blockade established by other nations rather than to the impracticability of communism. They were willing, however, to admit that they had been disappointed in the material results of the application of communism. No one denied that production had been greatly reduced, that the transportation system had largely broken down and that there was actual starvation in a wide area and that the general economic situation was deplorable. My own conclusion is that there is nothing which promises an early restoration of Russia to a state which will compare with its former importance in international commerce."

Supply and Demand

"Much has been said in recent years in the farm press and in farmers' gatherings, about the 'law of supply and demand.' Agricultural editors are not the only offenders, even statisticians in the employ of the American Farm Bureau Federation, the Federal Department of Agriculture, state college economists and 'amateur economists' are constantly using this erroneous expression. ... Only one great body of business men in the country to-day is subscribing to the 'supply and demand' interpretation of this fundamental principle in economics, and that is the farmers. The great manufacturers and the great distributors have long since thought the thing through and discarded the older notion. The farmer has paid slight attention to demand. He has thought in terms of supply; he has given the importance

to production and has talked in terms of 'supply and demand' confirming by his action in the matter of production the old supposition that supply was the cause and demand the effect. On the other hand, the great manufacturers and distributors of commodities have paid relatively small attention to supply. Their attention has been focused on demand; witness their great selling organizations which exist for the purpose of creating demand, and their great publicity efforts which look to the same end. Of course, supply is important to them, but they have standardized it, as it were, gotten it efficiently in hand. They know that the surest way generally to decrease costs of production is to increase production, the supply. They follow, in their process of production, the safe rule of unit cost." (Iowa Homestead, Feb. 16.)

St. Lawrence Waterway

"The completion of this project means that the great food producing sections of this country -- the corn and wheat belts -- will be able to load their product for export with a minimum railroad haul and with much less delay and storage expense than is the case to-day. Not only will the export of our surplus food supply be greatly expedited, but the producer will realize much more on what is exported than he does to-day. It also is reasonable to believe that with the added shipping advantage a greater proportion of our surplus will be exported." (Implement and Tractor Age, Feb. 5.)

Vegetable Seed Crop Short in California

"California vegetable seed growers are telling their friends and customers that there is a possibility of a shortage in certain seed items of the 1922 growing for selling next year. The California growers hesitate to give much publicity to this prediction for the reason that the trade would conclude the growers were making an effort to boost prices or force early contracts to their own material advantage. Growers know that this feeling exists so they have hesitated about giving out much information that would appear to the trade to be to their own advantage. However, the fact remains that the acreage devoted to vegetable seed crops in California that have been planted or that will be planted for 1922 production is far below normal and for many items will not be sufficient for 1923 selling if there is a good volume of business this year and existing stocks become well cleaned out." (The Seed World, Feb. 17.)

Wheat Offer to Russia Declined

The New York Times to-day reports the following London dispatch: "Speaking before a meeting of the Petrograd Soviet recently, Vice President Smyrnof stated that the United States had offered Russia 1,000,000 tons of wheat. But, says a Helsingfors dispatch to the London Times, the Vice President declared that the conditions imposed by the United States could not be accepted by the Soviet."

Section 3.

Department of Agriculture

An editorial in The Idaho Farmer for February 16, entitled "The Government Publications," and referring specifically to The Market Reporter, the Monthly Crop Reporter and the Experiment Station Record, says: "These publications afforded the greatest means that the great department had in passing its information and advice on to the farming people of the country who needed it. While every effort should be made to economize in the Department of Agriculture, it would be wiser

to do so even by curtailing a little of its research work, giving wide publicity to available information, than to accumulate more information without means of giving it to the American people. (The Idaho Farmer, Feb. 16.)

Section 4.

MARKET QUOTATIONS.

Farm Products

Feb. 24: Grain market erratic with prices lower most of session, but closed firm and slightly higher. Closing prices in Chicago cash market: No. 2 red winter wheat $1.41; No. 2 hard winter wheat $1.39; No. 2 mixed corn 60¢; No. 3 white oats 36 1/4¢. Average farm prices: No. 2 mixed corn in Central Iowa 46 1/2¢; No. 2 hard winter wheat in Central Kansas $1.35.

Chicago hog prices higher, bulk of sales $10.40 to $10.85. Beef steers slow but steady, medium and good beef steers $7.35 to $9.15. Butcher cows and heifers $4 to $7.85. Sheep and lambs mostly steady; fat lambs $13.50 to $16.50.

Potato markets slightly weaker; haulings light. Bulk Green Mountains f.o.b. Maine shipping points $1.31 per 100 lbs. Sacked Round Whites f.o.b. Western New York points $1.75. Danish type cabbage weaker f.o.b. western New York shipping points at $28 to $30. New Jersey sweet potatoes $2 to $2.25 per bushel hamper in Eastern consuming markets.

Hay market dull and generally slightly lower. Off-grade hay continues in excess of demand. Feed markets firm. Cottonseed meal strong on reported export inquiry. Linseed meal also quoted higher.

Butter markets barely steady. Prices practically equal on all markets.

Spot cotton unchanged at 17.31¢ per lb. New York March futures down 5 points at 18.17¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 24: Average closing price 20 industrials 85.18, as compared with 75.23 corresponding day 1921; average closing price 20 railroad stocks 78.73, as compared with 74.08. (Wall St. Jour., Feb. 25.)

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Bloc Wants Bonus Paid by Debt Funds

"The farm bloc, which is now in complete control of the bonus situation in Congress, favors the plan of obtaining revenue for bonus payments through the refunding of debts owed to the United States by foreign countries. Having defeated the sales tax proposal February 24 in the Ways and Means subcommittee, this group addressed a letter to Chairman Fordney February 25, urging that enough money to begin bonus payments could be obtained by using the expected income resulting from Great Britain's refunding of her debt to the United States. The first semi-annual instalment of interest, amounting to $125,000,000, will be paid by June 1, they state. Leaders of the farm bloc say that the sales tax plan is dead. Their canvass showed, they said, that more than 100 Republicans were against the tax." (N.Y.Times, Feb.26.)

Genoa Date April 10

Agreement to a postponement of the Genoa economic conference until April 10 was reached by President Poincare, of France, and Prime Minister Lloyd George, of Great Britain, at their conference at Boulogne, February 25, according to an Associated Press dispatch to the press of February 26.

Better Prices Encourage Farmers

Increased prices for grain and live stock have encouraged farmers in the Seventh District, the Federal Reserve Bank of Chicago reported in its review of business conditions for February, according to a statement issued February 26. This says: "An improved sentiment has appeared not only because of the increase in prices but also because many farmers are just beginning to realize the extent to which other lines of industry suffered during 1921." The effect of Government aid, according to the report, also is beginning to be felt, especially in the western half of the district.

World's Wheat Market

Opinion in the English grain trade of the rapid advance in wheat prices is that the market's action is due to the fact of consumption having visibly overtaken supplies. Owing to the unstable conditions which have prevailed, forward contracts have not been made, and millers up to the present time have been drawing as far as possible on existing stocks. These stocks, however, are now practically exhausted. The South American crop, which was expected to help out the situation, has gone largely to Germany, Greece, Italy and elsewhere on the Continent -- markets which, now that Russia is out of the export field, compete more keenly than heretofore for such American supplies. (London cable to N. Y. Times, Feb. 27.)

Cooperative Marketing Bill Comment

Hoard's Dairyman for February 24 says in an editorial: "For two years farmers have been asking for a law that will permit cooperative associations, not organized for profit, to practice collective bargaining. Objections were made because it was feared that such privilege would lead to monopoly; that it would give the farmer a chance to fix prices. This fear was not well founded. Too many are engaged in farming to form an organization with power to control production and arbitrarily set prices. It is well known that when the price of one farm product becomes proportionately higher than other farm products, the farmers immediately turn their energies to producing the product which brings the best price. ... It must also be borne in mind that the American farmer is in competition with the farmers of other nations. Butter and cheese are now coming to this country from foreign nations and these imports have materially affected the prices of butter and cheese. There is no need of alarm of any farm monopoly being formed under present conditions. If any such attempt is made there is more dynamite in it for the producers attempting it than for the consumers. The greatest good that will come from the collective bargaining law is the relief it will bring to representatives of producers' associations."

Section 2.

Agricultural Situation

1. "Looking at the Farmer's Side" is the title of an extensive interview with Bernard M. Baruch, conducted by Theodore M. Knappen, and published in The World's Work for March. This quotes Mr. Baruch as saying: "Notwithstanding criticism of the farm bloc, the present farm movement is not a selfish class drive, but rather an insistent demand by the farmers for equal opportunity -- to be placed on a par with the buyers and distributors of their products. ... This is the first time that the farmers have been organized like other pursuits, so that their voice is potent in the houses of Congress. The movement is but an emphatic expression of the dire necessities of a third of our population, producing at least a third of our national wealth and creating half of our commerce, and a determined effort to modernize themselves on an equal footing with other businesses. If legislators friendly to the farmers had not united in the so-called agricultural bloc, how much attention do you think would have been given to the desperate plight of agriculture? The formation of the bloc and its militancy are but an evidence of its necessity. Why not concern ourselves with the necessity, rather than with the manner of its expression. The big thing the farmers are aiming at is the modernization of their commercial relations. They have been left half a century behind in the general march of industrial, commercial, and credit organization and consolidation, and now they are trying to catch up. They have suffered severely on account of their business backwardness, and the general community has suffered with them far more than it is aware. ... Yet it is undeniable that the farmers have been charged with improper motives simply because they are trying to introduce into their external business operations the same modern methods and principles that long have been applied in other callings."

Referring to cooperative marketing, Mr. Baruch says: "The farmers feel that they are merely doing the economic thing in promoting a measure of intelligent and reasonable organization of agricultural commerce. They merely seek as large a degree of stability in their pursuits as the many hazards of nature and the variations of

demand will permit. Such stability, they rightly hold, will be as advantageous to the consumer as to them. Orderly marketing will tend to insure to the consumer dependable supplies without erratic and disconcerting price fluctuations, and to return to the producer what a fair, untrammeled, consumptive demand entitles him to. It would make for elimination of any excessive and useless middle tolls, and for the repression of unnecessary speculation that discourages the farmer and taxes the consumer."

Agricultural Situation

2. The World's Work for March says, in its monthly "March of Events": "The immediate problem before the farmer is the problem of Europe. He can get financial assistance, in the form of loans from his neighbors (with Government cooperation); and this financial assistance will carry him over a year or two. But he will never have a stable market for his surplus until Europe's troubles are composed. He may force Congress to the folly of Government purchase, or to the folly of a guaranteed price. But Congress cannot make Europe swallow a price it cannot afford to pay. The real solution for the farmer is to force Congress to lend a hand in Europe, and help there to get his market back into condition to take his produce and able to pay a fair price for it."

Filled Milk Legislation

Hoard's Dairyman for February 24 says in an editorial: "Hon. J. Q. Emery, Dairy and Food Commissioner of Wisconsin, considers the Voigt filled milk bill not only worthless for accomplishing its purpose, but even if it has the merits its friends claim, it is still valueless. Mr. Emery ... says in a letter written in response to an appeal for his support of the Voigt filled milk bill: 'I have given the terms of that bill not a little careful consideration and I am of the opinion that the Voigt Bill, if enacted into law, would be practically worthless as a means of accomplishing the end supposed to be sought by such a law. It would not in my opinion be worth the effort required to secure its passage. ... Moreover, the bill is lacking in specific terms providing for its enforcement. No department of the national Government is made responsible for its enforcement. There is no reason, therefore, to hope that the terms of the law could or would be enforced even in its very limited jurisdiction.' "

On the same subject, The Ohio Farmer for February 25 says: "Every dairyman should write to his Congressman and Senator urging the passage of the Voigt bill, which seeks to prohibit the movement of bogus milk in interstate commerce. The bill has been favorably reported by the House Committee on Agriculture. It should be made a law Why should manufacturers be permitted to combine great quantities of vegetable oils with skimmilk and induce the public to use it instead of the more nourishing natural article, of which there is plenty? Protect the American dairyman by helping him to a fair market for his honest product. Protect the health of the public by assuring a whole milk whose nourishing power is beyond question."

Fruit Growers to Suspend Steam Line Promotion

The California Fruit Growers' Exchange will suspend until next year the promotion of a steamship line to be owned by California citrus growers for the transportation of their products to the Atlantic Coast, it was announced Feb. 25 by C. S. Whitcomb, chairman of the exchange. (The Jour. of Commerce, Feb. 25.)

Government Funds

In a review outlining the use of Government funds for various purposes, The World's Work for March says: "Those measures are justified that use unworked resources of credit to their safe limits, as in the cooperation of the War Finance Corporation and the Federal Reserve Board to finance farmers, by properly secured loans, over a bad marketing year. Legislation by Congress, and assistance with information by the administrative departments of the Government, can be vastly serviceable in authorizing and directing the flow of available capital into the channels where it will do the utmost possible to keep everybody in the country gainfully employed."

Grain Dealers Association Investigation

Referring to the Congressional investigation of the $250,000 "slush fund" of the Grain Dealers National Association, Who is Who in the Grain Trade for February 20 says: "What can the investigating committee do? What is there to investigate? Have not the grain men of the country a right to collect a few thousand dollars to protect a legitimate business from being destroyed by agitators who are in reality the farmers' worst enemies? How can the farmer benefit by the destruction of the present highly evolutionized system of competitive commerce in grain? The farmers are glad that the U. S. Grain Growers, Inc., has been shown up. They would have been in a nice mess now if they had committed themselves to the crude scheme for a period of five years. Who, after all, has been the farmer's best friend? It is not likely that the investigating committee will ever make a report. ... The National Association has but one request to make to the Senate committee and that is to make the investigation complete. ..."

Potash Tariff

"If the farmers of this country wish cheaper fertilizers, and we believe they all do, they should protest against the levying of a heavy duty on imports of fertilizing materials. There is potash, the largest part of which comes from abroad. We have potash deposits in this country, but they have not been developed sufficiently to supply one-quarter of the normal requirements of the American market for agricultural potash. So we must look to outside sources. In the tariff bill that is now under consideration in Congress a duty amounting to $25 a ton is placed on agricultural potash. Unless prompt action is taken by farmers in fighting this feature of the tariff bill, it is likely to pass, for we are informed that the Senate Finance Committee is soon to report favorably on it. The duty is imposed for the purpose of protecting the American potash industry, but what it really will amount to will be to give the American producers a chance to raise their price to the level of the foreign cost plus the duty, adding approximately one-fourth more to the present price of potash." (The Indiana Farmer's Guide, Feb. 25.)

Timber Supply Decline

Gifford Pinchot, Commissioner of Forestry for Pennsylvania, declared in an interview, February 25, that the problem of the conservation of forest lands in the United States is the most serious economic question with which this country has to deal. He said that the wood pulp from which news print is manufactured is rapidly being exhausted. (Press, Feb. 26.)

Wool Marketing in Canada

"With the United States emergency tariff of 15 cents per pound, which came into effect in May 1921, completely shutting off exports of wool across the line, the Canadian Cooperative Wool Growers Limited was faced with the necessity of locating another market. It proved equal to the task. As a result of its team work with the Dominion Live Stock Branch in the matter of grading and preparing farm and ranch clips and its efforts towards popularlizing Canadian wools among Canadian mills, it was able to meet the emergency. Instead of being left with a demoralized and hopeless market, wool producers who disposed of their clips through their own organizations were favored with a very satisfactory one, when conditions in general are taken into consideration. Canadian mills have absorbed practically 4,000,000 pounds of the 1921 wool clip which is being handled by the wool growers' own organization. Between September 15 and December 15, of last year there was an active buying of Canadian wool on the part of Canadian mills and as a result only a few hundred thousand pounds of 1921 receipts remain to be sold." (The Wisconsin Farmer, Feb. 23.)

Section 3.

Department of Agriculture

1. The New York Times, February 26, contains a lengthy article by W. H. Chapman, under the title, "Controversy Over Alaska Widens: Champion of Secretary Wallace Tells Why Control of Forests should not be Turned Over to Secretary Fall." This says in part: "In 1905 these national forests were taken away from the Department of the Interior by Congress and placed in the Department of Agriculture, where the principles of developing and utilizing living forces were understood. Here they have remained for seventeen years, and this is the reason why the administration of the national forests of the West and East has met with public approval. It is based on sound public policy, and on efficient public service. The directing forces of this service are largely drawn from men trained both in forestry and in practical business administration. ... There was plenty of timber in interior Alaska. ... There was a time in the history of the West when forest fires burned unrestrained over the public lands. ... Today this process of destruction is rapidly taking place in the interior of Alaska. For these interior forests are not controlled by the Forest Service, but by the Department of the Interior, which in its entire existence, has never even made a start toward developing fire protection on public lands, and has yet to secure its first appropriation for that purpose. ... What is needed in Alaska is more national forests, the protection of the vast interior basin by taking these forests out of the jurisdiction of a department so incapable of caring for them. ..."

2. "There are three bills pending in Congress at the present time purposing that the Forest Service be taken out from under the Department of Agriculture and placed in the Department of the Interior. Many men are strictly opposed to these bills, among them Mr. Pinchot. The editor of this paper is also opposed to them and has taken the matter up with both of our United States senators and with every member of Congress from Wisconsin and we have letters from Senators LaFollette and Lenroot and from our eleven Congressmen, all of whom are opposed to the bills and will vote against them. So that

it now seems as if the Forest Service, so important to the Nation, will be left where it belongs, under the management of the Department of Agriculture." (The Wisconsin Agriculturist, Feb. 25.)

Section 4.

MARKET QUOTATIONS.

Farm Products

Grain prices reached new high points on crop during the week, influenced by higher foreign markets, good export sales, and bullish crop reports. For the week Chicago May wheat advanced 6 1/2¢; Chicago May corn up 6 1/4¢.

Potato prices were lower in many producing sections. Prices nearly steady in city markets. New York Danish type cabbage was in poor demand, but under lighter receipts city markets advanced to a range of $40 to $45 per ton. St. Louis market oversupplied. Celery weaker at Florida shipping points. California stock stronger in middlewestern cities at $9 to $10 per crate. Apple markets slow with prices nearly steady.

Chicago hog prices advanced 60¢ to 70¢ per 100 lbs. Better grades of beef steers mostly steady while the lower grades advanced 15¢ to 25¢. Fat sheep and lambs also advanced. Eastern wholesale fresh meat prices trended upward.

Hay market dull and prices generally lower. Good grades alfalfa firm but low grades of all hay in poor demand. Receipts about normal. Feed markets firm. Both cottonseed and linseed meal quoted higher.

Butter markets barely steady.

Spot cotton up 32 points; New York March futures up 32 points.

Feb. 25: Early grain selling checked by report that Argentina crop over-estimated, and prices closed higher; Chicago May wheat $1.47; Chicago May corn 68 3/4¢. Country offerings wheat light; Chicago milling demand improved. Corn had big trade and closed at highest point on crop. Closing prices in Chicago cash market: No. 2 red winter wheat $1.44; No. 2 hard winter wheat $1.42; No. 2 mixed corn 62¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in Central Iowa 49 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.36 1/4; No. 2 hard winter wheat in Central Kansas $1.25.

Chicago hog market active, prices up 10¢ to 15¢; bulk of sales $10.50 to $11. Medium and good beef steers $7.35 to $9.15; butcher cows and heifers $4 to $7.85; light and medium weight veal calves $7.50 to $12; fat lambs $13.50 to $16.25.

Potato markets dull: prices nearly steady. Bulk Green Mountains f.o.b. Maine points $1.31 per 100 lbs. Baldwin apples A 2 1/2 f.o.b. Western New York shipping points $7.25 per bbl. Danish type cabbage f.o.b. Western New York points $30 per ton.

Spot cotton up 19 points closing at 17.50¢ per lb. New York March futures up 33 points at 18.50¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 25: Average closing price 20 industrials 83.33, as compared with 75.46 corresponding day 1921; average closing price 20 railroad stocks 79.16, as compared with 73.75. (Wall St. Jour., Feb. 27.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 48. Section 1. February 28, 1922.

Bonus Bill

After a conference with President Harding, February 27, Republican Leader Mondell and Chairman Fordney of the Ways and Means Committee, announced that a bonus bill would be passed at this session. The manner of raising the revenues still is in doubt. (Press, Feb. 28.)

Tariff Legislation

The tariff bill was discussed, February 27, at a White House conference between President Harding and Representative Mondell of Wyoming, the Republican House leader, and Chairman Fordney of the Ways and Means Committee. It was indicated afterward that the Executive desired a speeding up of work on the measure, which is now in progress of rewriting by Republican members of the Senate Finance Committee. (Press, Feb. 28.)

Farm Borrowers Overcharged

Charges of Senator Smoot and other senators that borrowers from joint stock land banks in some cases had been charged illegal premiums were declared sustained in a report made to the Senate February 27 by Chairman Lobdell of the Federal Farm Loan Board, in reply to a resolution of inquiry adopted by the Senate. Chairman Lobdell added that when the board learned that borrowers were required to subscribe for the stock of two joint stock banks at a premium in order to secure loans, it had issued an order stopping the practice and requiring the banks to take up the stock and to repay premium, plus interest. Regarding the position of the Federal farm loan system to care for borrowers, Chairman Lobdell reported that its funds were "approximately adequate," as a result of the recent sale of $75,000,000 of farm loan bonds and accumulation of other funds. Total applications for loans on January 1 aggregated $142,000,000, the board Chairman stated, adding that the funds were believed to be sufficient for all loan applications which probably would be granted. The largest number of loans pending, he said, was that of the local banks covering the States of North and South Carolina, Georgia and Florida. It has 10,295 loans for a total of $27,388,000. The next largest totals are for the St. Louis bank, with 5,663 applications, aggregating $16,383,000. (Press of Feb. 28.)

Muscle Shoals

Officials of the Alabama Power Company, before the House Military Affairs Committee, February 27, which is investigating Henry Ford's proposal to take over the Muscle Shoals, Ala., Government power plant, claimed under a prior contract with the Government the privilege of purchasing the Warrior plant at Muscle Shoals on as advantageous terms as may be given to any other bidder. (Press, Feb. 28.)

Cooperative Marketing Bill Comment

American Agriculturist for February 25 says: "This is a great step toward equalizing the right of farmers to conduct their business cooperatively, in the same way that partners in other industries jointly sell their products under the protection of an incorporated company. It stands out for the moment as one of the finest single achievements of the 'farm bloc' at Washington, and will go down in history as one of the greatest legislative battles of the present era in farming. There is one great caution, however, in this legalizing freedom granted to producers under the measure. Every farm association must keep both feet firmly on the ground, and in no way attempt to restrict or monopolize the trading in any farm product. Of course, there is little chance of this, since the bill carries ways and means to prevent abuses, vesting in the Secretary of Agriculture the power of regulating the business of marketing associations, both through his own office and through the Department of Justice. The biggest work is ahead, not behind, and with the legal right to sell in a way which gives producers a more equitable price for their products without hurting consumers, farmers now have a real chance to earn as much as the hired man."

An editorial in New York Produce Review and American Creamery for February 22 says: "We think the provision placing the course of prices of farm products, the subjects of cooperative marketing, under the espionage of the Secretary of Agriculture and giving to him the power to prosecute in the Federal courts, under the anti-trust laws, whenever he may deem prices to have been 'unduly enhanced' is bad legislation, and likely to lead to injustice as well as to undue and indefensible interference with the natural courses of price variations which are the logical means of equalization of supply and demand. Upon what basis of facts is the Secretary of Agriculture to assume, and the court to decide, that the price of any farm product has been unduly enhanced? It is to be admitted that there are some effects of price fixing through control of supply, such as have already resulted from, or may be contemplated by, cooperative marketing associations and their linking together, which are manifestly abnormal and which might afford a ground for logical exercise of the regulatory power referred to. Thus when cooperative marketing associations, for instance, create a difference in the price of milk, not solely in accordance with variations in quality but dictated arbitrarily in accordance with its various channels of outlet, whereas the real value of the product is affected by the sum of all its outlets and is naturally uniform at any given place, it might reasonably be argued that the highest price fixed, maintained only by selling part of the product at a lower price, was 'unduly enhanced!' Also if cooperative associations should gain such control over a farm product as to maintain prices in domestic markets at any certain level only by selling the surplus to foreign countries at a lower level the domestic prices might be regarded with reason as having been 'unduly enhanced.' But these instances, unless there be others like them, are the only ones in which proven facts could give evidence of undue enhancement of prices. ..."

Agricultural Legislation

"The so-called 'Truth-in-Fabric' bill is second on the list to be pushed to an early conclusion, according to Senator Capper, the newly elected head of the Senate agricultural bloc. The Rural Credits bill will be the first important legislation to be brought out by the members of the bloc, says Mr. Capper. Following the reporting of this bill, Mr. Capper expects the entire membership of the bloc senators to get behind the 'Truth-in-Fabric' bill and urge its immediate consideration." (N.Y. Daily News Record, Feb. 27.)

Section 2.

Banana Culture Urged for Hawaii

Los Angeles business men now in Hawaii are planning the development of the Hawaiian banana industry as a means of furnishing the California and general Western market with fresher fruit than is now supplied from Jamaica and the West Indies and, at the same time, providing the two big Shipping Board liners Aeolus and Huron with return cargoes when they begin to ply between Los Angeles and Honolulu. (Press, Feb. 28.)

Business Revival

The New York Times for February 26 says in an editorial: "The cheerfulness of Wall Street under what are discussed as Wall Street failuresis among the encouraging signs of the times. ... Possibly the chief factor is the rise in prices of agricultural products. Nothing could be more stimulating than to correct the farmers' idea that they had overproduced. Comparing five years ended with 1921 with five prewar years, we more than doubled our wheat exports and increased our consumption by only half of the gain of population. The conditions regarding corn, oats and animals are similar. The world will surely eat all it can pay for, and it increases its ability to pay for what it buys with its recuperation from war prostration. Our farmers face no such severity of competition as our factories. Happily, we are as able to supply the world with credit as with food. Our banking condition certifies that. ..."

Dairying Promotion in Wisconsin

The Wisconsin Farm Bureau Federation, which is rapidly becoming the greatest farm organization in the State, decided to make the promotion of dairying the main work of the State bureau. Resolutions indorsed the Cheese Producers' Association and the plan for organizing the producers of foreign cheese and the District and State Federation of Creameries. Protests were also passed against importation of butter from foreign countries and urging a heavy duty on imported vegetable oils which are used to make oleomargarine. (Milwaukee dispatch to press of Feb. 28.)

Fox Farms in P. E. I.

A dispatch from Charlottetown, P. E. I., to the press of February 26 states that fox farming produced a revenue of $1,240,000 in Price Edward Isle last year, according to statistics just made public. This is nearly as much as the combined revenue of the Province's fish and dairy productions.

Hog Prices in Texas

"The better than ten dollar hog appeared in Fort Worth February 27, after a year's absence. The highest prices of the year were paid not only for the hogs, but for pigs, steers and lambs. The top in hogs was 10.05 cents a pound." (Press, Feb. 28.)

Live Stock Valuation

The Wall Street Journal to-day says in an editorial entitled "Expensive Cattle": "Attention of railroad-baiters is called to the Rock Island Railway Co., which is giving publicity to an advertisement for a carload of the most expensive bulls in the world. ... Where are the most costly bulls in the world, and what moves a great railway system to want a carload of them? There is a Holstein in this country for which a price was paid greater than the combined salaries of the President, Vice President and Chief Justice of the United States. One of the highest-priced Guernseys is at Cohassett. (Cont'd on page 4.)

An Argentine breeder paid a small fortune for a bull from the United States, and animals valued at above $10,000 each are by no means uncommon. But all of these high-priced animals are cheap; and this advertisement calls for the most expensive. It specifies a carload of the meanest scrub bulls to be found. Unfortunately their name is Legion, and many carloads can be had. To prove to the farmers that these animals, worth little more than the value of their hides, are more expensive than those whose value runs into tens of thousands, the railroad will give a practical test. The animals will be shipped to Oklahoma City, where, in comparison with pure breds and high grades, the National Stock Yards will give a dressing record. The percentage of dressed beef to live weight, the price paid on the hoof and that received for dressed meat and by-products will be officially given. The farmers will thus have a concrete demonstration of the fact that scrub live stock should be classed with the boll weevil, rats, chinch bugs and other crop destroyers, which board at the farmers' expense."

Flour Business Aided by Sterling Advance

A dispatch from Seattle to The Philadelphia Public Ledger today states that due to the advance in pound sterling, Australian flour is rapidly being eliminated in competition with the North Coast product in the Orient. Hong Kong has ceased inquiry on account of the dock strike. Manila is on the market, and the advantages of lower prices quoted by Australia are much less of a factor.

Potash Tariff

The Rural New Yorker for February 25 says in an editorial: "It is said that the Senate Agricultural Committee will report a tariff bill with a tax of $25 per ton on agricultural potash. This is intended to benefit a few corporations which have invested in American potash deposits. It is an extortionate and needless tax. Eastern farmers in particular need potash on practically all soils, except the heavy clays. There is no good reason for such a tax if we consider for a moment the needs and rights of the majority -- both farmers and consumers."

Seed Interchange

"One influence contributing to the continued sowing of sophisticated grass seeds is the habit of county agents and agricultural boards and state marketing bureaus, of engaging actively in promoting interchanges of forage grass seeds between farms. Now, it is manifest from the nature of such seeds that continued interchanges between farms will simply insure the continuance of the weed nuisance with loss on the hay or the seed produced for future sale. The practice ought to be discontinued by the farmers themselves and every official agency should encourage them to do so. Farmers should buy their seeds only from dealers in recleaned stock, the character of which is established by analysis and guaranteed by seller's label and responsibility as to purity and viability." (Pr.Cur.-Grain Rep., Feb.22.)

Wool

"It is doubtful whether the production of wool in the United States in 1922 will exceed 235,000,000 pounds, says the National Wool Warehouse & Storage Co., in a message just addressed to the Western wool growers and banks. A conservative estimate of the supplies of wool on hand in this country on Jan. 1, 1922, was 350,000,000 pounds." (N.Y. Daily News Record, Feb. 27.)

Section 3.

Department of Agriculture

The Washington Star for February 26 contains a full-page article recounting some of the achievements of the agricultural explorers of the department. The author prefaces his article as follows: "Into the outlands of the world, gleaning the acreage of yesterday for that of tomorrow; cutting their way through the jungles of India and penetrating darkest Africa, fighting elephants and tigers, trudging through the sands of centuries in China and seared by the tropical sun, a dauntless band of agricultural explorers for Uncle Sam have delved, during the last quarter of a century, into all the corners of the globe, hunting for strange seeds and strains of plant life that would give this country new food crops, or improved varieties of grains, forage, fruits and vegetables."

Section 4.

MARKET QUOTATIONS.

Farm Products

Feb. 27: Chicago May wheat reached new high of $1.49 7/8, but later reacted and closed at $1.47 1/4. Export demand slow. Visible supply 41,278,000 bushels, a decrease of 814,000 bushels for week. Corn also sold at highest prices on crop but declined later, closing at 67 3/4¢. Visible supply 40,897,000 bushels, an increase of 3,973,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat $1.43; No. 2 hard winter wheat $1.42; No. 2 mixed corn 62¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in Central Iowa 49¢; No. 1 dark northern wheat in Central North Dakota $1.37 1/2; No. 2 hard winter wheat in Central Kansas $1.23.

Chicago hog prices up 10 to 20¢, bulk of sales $10.75 to $11.15. Beef steers generally steady to 15¢ higher; medium and good beef steers $7.40 to $9.25. Butcher cows and heifers up 15¢ to 25¢ at $4.15 to $8. Fat lambs down 15 to 25¢ at $13.25 to $16.

Potato markets slow, dull and nearly steady. New York sacked Round Whites f.o.b. $1.81 per 100 lbs. Maine Green Mountains in bulk steady at $1.31 with demand improved. New York Baldwin apples A 2 1/2 firm f.o.b. Western New York points at $7.25 per bbl. Danish type cabbage $30 per ton f.o.b.

Hay of good quality has good but limited demand; supplies scarce. Receipts of low grade hay in excess of demand generally and are depressing market. Feed markets generally firm.

Butter markets steady to firm. Receipts running lighter; reports indicate lighter production.

Spot cotton up 2 points closing at 17.52¢ per lb. March futures at New York down 6 points at 18.44¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 27: Average closing price 20 industrials 84.58, as compared with 74.98 corresponding day 1921; average closing price 20 railroad stocks 78.52, as compared with 73.32. (Wall St. Jour., Feb. 28.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Vol. IV, no. 49. Section 1. March 1, 1922.

President Harding Offers Plan to Help Shipping

A ship subsidy, estimated at approximately $32,000,000 annually, to be provided for principally by the diversion of 10 per cent of the Nation's customs receipts, would be paid to the owners of American ships engaged in foreign trade under a bill introduced yesterday in the Senate and House. The measure incorporates a subsidy plan proposed by the Shipping Board and indorsed by President Harding in a message read yesterday to a joint session of the two houses. Introduced in the Senate by Chairman Jones, of the Commerce Committee, and in the House by Chairman Greene, of the Merchant Marine Committee, the bill sets forth that the purpose of the direct subsidy provision is to "aid the development and maintenance of the American Merchant Marine, to promote the growth of the foreign commerce of the United States and to contribute to the national defense." (Assoc. Press, Mar. 1.)

The President said in his message: "Nobody pretends any longer shipping is a matter of concern only to the ports involved. Commerce on the seas is quite as vital to the great interior as it is to our coast territory, East, South or West. Shipping is no more a sectional interest than is agriculture or manufacturing. No one of them can be prosperous alone. We have had a new manifestation of this broadened vision in the enthusiasm of the great Middle West for the proposed Great Lakes-St. Lawrence waterway, by which it is intended to connect the Great Lakes ports with the marts of the world. There is far-seeing vision in the proposal, and this great and commendable enterprise, deserving of your favorable consideration, is inseparable from a great merchant marine."

Shipping Plan and Agriculture

In to-day's Philadelphia Public Ledger, F. W. Wile, reviewing the President's program for placing the American Merchant Marine on a competing basis with foreign rivals, says: "To-day there is a ray of optimism on the horizon that has been lacking on earlier occasions when ship subsidies were asked. The great section of the United States far remote from salt water -- the agricultural community of the Middle West and West -- appears to favor the President's plan. Senator Capper, newly-elected leader of the powerful farm bloc, foreshadowed that there would be 'no particular opposition from the West.' The farm bloc, as such, will not be antagonistic. Senator Capper's cohorts applaud the linking up of the ship subsidy proposition with the Great Lakes-St. Lawrence waterway. The vision of shipping farm produce direct from the grain fields adjacent to Lake Michigan and Lake Superior to the markets of the world makes an unmistakable appeal to the elements which for decades have frowned upon ship subsidies as an evil and selfish conception of the seaboards. ... Mr. Harding seldom has given a more convincing exhibtion of special pleading before Congress than when he offered the ship subsidy plan."

Cooperative Marketing Bill Comment

Modern Farming for February 25 says in an editorial: "The press has characterized the passage of this law as a 'sweeping victory for the farm bloc'. The fact that but one vote was cast against this bill in the Senate, which body overrode the recommendations of its own judiciary committee, would indicate that the farm bloc is behind worth-while legislation. The very solidarity of the support this bill received would remove it from the designation of 'class legislation' which some opponents have charged was the real purpose of the farm bloc. So long as beneficial legislation of this kind is sponsored by this group of legislators, so long will they justify the existence and continuance of the farm bloc. This law removes some possible stumbling blocks from the paths of cooperative marketing associations, and with this surety of being legally authorized to proceed, we look for renewed activity. The commodity organization plan, as sponsored by the American Farm Bureau Federation offers a real opportunity to solve many of our marketing problems, and should be adopted by agricultural producers of every nature."

The Progressive Farmer for February 25 says: "Passage of the Cooperative Marketing bill marks the greatest victory of the agricultural bloc, and the farm organizations which have supported it."

The Oklahoma Farmer-Stockman for February 25 says: "The passage of this bill was the most important legislative recommendation made by the agricultural conference."

Agriculture Leads Business Revival

"The Revival of Industry Led by the Farm" is the title of an extensive editorial in to-day's Washington Herald, which says in part: "When Congress, with rare foresight, generosity and promptitude, passed the bill authorizing the expenditure of $20,000,000 to be used by the American Relief Administration to purchase supplies for the relief of starving men, women and children of Russia, there began a period of recovery of the American farm which is leading to a general industrial revival. This marked improvement, based upon a betterment of farm prospects, is strengthening the entire business and agricultural position of the United States. Moreover, the promise of stability is accentuated by the fact that radical alteration of conditions is not confined to America, but is worldwide. Russia, formerly the world's largest exporter of grain, imported huge purchases during December and January, and stimulated a steadily increasing betterment in world conditions in general, and grain quotations particularly, with a consequent reflection of optimism in every line of industry. Foremost among the accomplishments of the Russian relief measure is the creation of an active foreign demand for American grain, thus enabling the farmer to dispose of surplus stocks, which, in many instances, included all of last year's crop held in preference to selling at slightly more than production costs. ... Vastly improved foreign exchange rates forcibly portray the urgent need of American farm produce and the ability of foreign nations to pay for our foodstuffs. Never since the armistice has the purchasing power of the British pound sterling been at such a discount as the dollar of the American farmer since the summer of 1920. Farm consumption is estimated at approximately 40 per cent of the total of this country, and a serious shrinkage in the revenue of this majority class readily accounts for much of business depression. Higher prices for farm products will be almost immediately reflected in bank deposits and increased sales of merchandise of all kinds. All of these alterations for the better are directly traceable to improved agricultural conditions. The world's situation suggests that farm products must establish a permanently higher level. ... The President, in his recent statement anent the promise of the coming year, very helpfully developed the facts of the situation. Julius H. Barnes, in an address in New York the other day, strikingly portrayed the ever-brightening outlook. Secretary of Agriculture Wallace has joined in expressions of optimism anent the certain improvement in the farm industry. ... "

Section 2.

Agricultural Financing

The War Finance Corporation announces that from February 23 to February 25, 1922, inclusive, it approved 230 advances, aggregating $6,395,000, for agricultural and live-stock purposes in 25 State During the week ending February 25, 1922, the corporation approved 346 advances, aggregating $9,857,000 for agricultural and live-stock purposes. (W. F. C. press statement, Feb. 27.)

Agricultural Situation

"An advance of twenty cents a bushel in the price of corn and more than forty cents in the price of wheat has had a decided effect upon the business outlook of the Middle West. It has already had a pronounced influence upon the mail order business and is responsible for a more optimistic feeling generally throughout that territory. The advance has come too late to benefit wheat farmers very much this year because wheat stocks on farms are already reduced to a minimum, but it is bound to have the effect of increasing the spring wheat acreage for the coming crop. Inasmuch as winter wheat has not had a very good start, spring wheat farmers will be inclined to plant more on that account alone. It almost invariably happens that in a year when winter wheat is poor spring wheat is good and vice versa. It is impossible to form this deduction as early in the season as this, however, because the governing conditions are those prevailing during the overlapping interval when both crops are in the ground. The change in the agricultural outlook is due entirely to natural conditions, although there will undoubtedly be political demagogues who will endeavor to persuade the farmers that the advance in corn and wheat and live stock have come about as a result of the laws passed in the farmers' behalf. Laws relating to the grain exchanges will be undoubtedly pointed to as having had this beneficent effect or perhaps the emergency tariff will receive equal credit. The law of supply and demand is not likely to be mentioned very freely although it is wholly and solely responsible." (N.Y. Commercial, Feb. 28.)

Bonus Legislation

The Journal of Commerce for February 28 says in an editorial on "The 'Bloc' and the Bonus": "Although in the early days of the bonus discussion it seemed as if the farm bloc were opposed to the raid on the Treasury then planned, time has already served to dispel this notion and to modify the position then apparently assumed. The first attitude of the members of the group seemed to be one of opposition to the proposed distribution of cash, but it now turns out that they seek only the defeat of the sales tax. They state in a letter to Chairman Fordney that they want to see the bonus distribution provided for by the use of instalments of the interest on the British debt. This fund, through some source of information of their own, they count upon for next June and are willing to distribute it in bonus payments. As the tactics of the farm bloc become better and better understood, they appear to show more clearly a purely local and selfish spirit wholly devoid of any national principle and not even inspired by intelligent analysis of public questions. Their complaint against the sales tax, that it would fall upon the rank and file of the people and the evidently implied view that an 'excess profits tax' would not do so but would rest finally with those who pait it in the first instance, is the same shallow view of taxation that has vitiated our whole fiscal policy from the beginning of the war."

Cooperative Marketing

An editorial in The Dairy Record for February 22 says: "In a review of the recent agricultural conference in Washington, President Howard, of the American Farm Bureau Federation, intimates that the American farmer gets less than thirty-six cents of the dollar which the consumer pays for the farmer's products, and he points to Denmark, where, he says, through cooperative marketing distribution costs have been so reduced that the producer receives seventy-two cents of the consumer's dollar. Mr. Howard evidently did not have in mind butter. Only one-fifth of Denmark's butter output is marketed cooperatively and that by several small associations of creameries, and here in the Northwest only a very small percentage of butter is marketed cooperatively. Still the producer of that butter gets his seventy-two cents and more of the consumer's dollar. We notice, for instance, an advertisement by the American Stores Co. in the Public Ledger of Philadelphia for January 26, 1922. "Louella," its leading brand of butter is advertised at fifty cents. On that day the New York quotation for Extras, wholesale, was thirty-nine cents. The creameries making this butter in prints get about one and one-half cents above Extras, or on that day forty and one-half cents per pound. Freight and other expense after butter is made is about two and one-fourth cents, leaving the farmers' creamery thirty-eight and one-fourth cents net per pound. The consumer who bought two pounds of this butter paid one dollar for it, and the farmers' creamery got seventy-six and one-half cents out of that consumer's dollar. Does the American farmer in this case get his seventy-two cents or more of the consumer's dollar? He does, and he gets it, whether his creamery ships to this or any other good outlet, this one being mentioned only because the butter and the prices are so readily traced. There is no product of the farmer on which he gets as much of the consumer's dollar as he gets on his butter made in a local creamery, thanks to the present system of marketing."

Corn Acreage Reduction

Wallaces' Farmer for February 24 says in an editorial: "There are a number of farmers who luxuriate in the belief that there is always a world hunger for their product at a price representing cost of production. They believe that there is no such thing as an 'over supply.' They are not concerned about the varying size of crops, but labor under the impression that a 3,000,000,000 bushel corn crop should sell for as much as a 2,500,000,000 bushel corn crop. These people have a simple, childish faith that if it were not for the speculators, the bankers, the grain dealers, et al., that corn would now be selling for at least cost of production. They will not admit that the fault is to some extent in themselves, but think to find it in the credit and distributing system. Faulty as our present credit and distributing system is, it nevertheless handles grain more economically than any other system which has ever been perfected. The most perfect system in the world will not permit farmers to produce far more than the market wants at a price representing cost of production."

The Missouri Farmer for February 15 says: "Undoubtedly this is no time for the American farmer to over-produce not merely in corn but in live stock and other farm products, for it is entirely possible that an unwieldy surplus in any given commodity may bring less money in the aggregate than a lesser output. While the quality

of the 1921 corn crop was much below par and while excessive freight rates have interfered greatly with marketing, yet the fact remains that such as it was we produced more corn last year than was needed -- and as is always the case cheap corn means relatively cheap pork and beef. Taking everything together, therefore, we think that a decreased acreage and more land sown to clover this year will pay the farmer better in the end than a yield that will gorge the markets next fall."

Tariff Commission Change Proposed

Transfer of the Tariff Commission to the Department of Commerce and inauguration of a new tariff plan to protect American manufacturers, were proposed in a bill introduced in the Senate, February 27, by Senator Frelinghuysen. (Press, Feb. 28.)

Section 3.

MARKET QUOTATIONS.

Farm Products

Feb. 28: Breaks in grain prices met persistent buying which caused quick recoveries. Chicago May wheat closed higher at $1.47 1/8; Chicago May corn higher at 68¢. Liverpool slightly higher. Corn had big trade. Closing prices in Chicago cash market: No. 2 red winter wheat $1.44; No. 2 hard winter wheat $1.42; No. 2 mixed corn in Central Iowa about 49 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.36 1/2; No. 2 hard winter wheat in Central Kansas $1.22.

Chicago hog prices about steady, bulk of sales $10.90 to $11.25. Beef steers uneven, medium and good grades $7.35 to $9.15. Butcher cows and heifers steady at $4.15 to $8. Fat lambs down 25¢ at $13 to $16.

Chicago and New York potato markets slightly stronger; other markets steady to firm. New York sacked Round Whites firm at $1.81 to $1.85 per 100 lbs. Maine Green Mountains in bulk steady f.o.b. at $1.31. New York Baldwin apples A 2 1/2 firm f.o.b. at $7.25 per bbl. Danish type cabbage firm f.o.b. Western New York points at $30 to $33 per ton bulk. Delaware and Maryland sweet potatoes $1.75 per bu. hamper in New York; $1.85 to $2 in Boston; $1.50 to $1.75 in Philadelphia and Baltimore; $1.75 to $1.90 in Pittsburgh.

Spot cotton up 1 point closing at 17.53¢ per lb. New York March futures up 10 points at 18.54¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 28: Average closing price 20 industrials 85.45, as compared with 74.71 corresponding day 1921; average closing price 20 railroad stocks 78.66, as compared with 72.41. (Wall St. Jour., March 1.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 50. Section 1. March 2, 1922.

Federal Warehouse Act — A bill providing for the extension of the Federal Warehouse Act, to permit the licensing of warehouses for storage of agricultural products, was introduced in the Senate March 1 by Senator Harris. The measure would leave to the Secretary of Agriculture the designation of what products might be stored. (Press, Mar. 2.)

Deficiency Bill — The House Appropriations Committee, March 1, reported a Deficiency Bill, carrying $108,416,287, for the various executive departments. The aggregate was approximately $76,500,000 less than the amounts requested by the different departments. (Press, Mar.2.)

Bonus Legislation — House Ways and Means Committee agreed March 1 on a program indicative of a unanimous desire to eliminate the cash feature of the five-option plan and substitute some form of Government certificates -- negotiable in a short time, but which would postpone any large cash outlay two or three years. They believe some such scheme will meet all the objections to the taxable proposals and most of the opposition to plans for an issue of Treasury bonds or sale of foreign securities. The committee majority appointed a subcommittee of the six ranking members to work out details of the plan already tentatively adopted and to hear witnesses on its feasibility. That subcommittee, consisting of Representatives Fordney, Green, Longworth, Hawley, Treadway and Copley, immediately started consideration of the plan. (Press, Mar. 2.)

Reciprocity — "Canada to-day made her first move to forestall unfavorable action by the American Congress in tariff relations between the two countries. W. S. Fielding, Canadian Minister of Finance and one of the men who negotiated the ill-fated reciprocity agreement of 1911, has taken up with the Department of State here through the good offices of the British Embassy the question of arriving at an understanding on reciprocal trade. ... The desire for reciprocity in Canada is now intense. The farmer group and the liberal party go hand in hand on that issue and together they control a majority in the Ottawa parliament. But the viewpoint of the agricultural bloc in the American Congress is bound to be influential. Senator Capper told this correspondent that he had not had an opportunity to study the effects of the reciprocity agreement of 1911, but it was likely there would be some opposition from the border states on the northern boundary. "The wheat growers of Minnesota and North Dakota," said Mr. Capper, "will want protection." (David Lawrence in Wash. Star, Mar. 1.)

Section 2.

America in Europe's Problems

America's place in reference to the great financial problems confronting England and the nations of Continental Europe, as discussed by the heads of leading British banks, is presented in a review of their addresses at the annual meetings of shareholders, by John Oakwood, in The Annalist for February 27. Frederick C. Goodenough, chairman of Barclays Bank, Limited, is quoted as saying: "By developing world markets through a courageous financial policy we might, for the time being, appear to be acting adversely to America. In point of fact, we should be acting for the good of both countries for, by the gradual relief which would be given to the pressure of the sterling-dollar exchange through the development of sources of supply in other directions, together with the active competition with America in financing the world's market, we should in reality be cooperating with her in restoring the world's equilibrium, and cooperation with America is what she and we should desire."

Sharp difference of opinion is expressed as to the probable value of the Genoa Conference. High hopes for successful results are voiced by Edward Paul, chairman of the Bank of Liverpool and Martins, Limited. He says of international trade and this conference: "The economic recovery of our own country does not depend alone upon the soundness of our banking system or the solvency of our Government's budget. It depends also upon the financial and economic conditions prevailing in other countries. While our transactions with America are running on a more even keel, as evidenced by the recovery and comparative steadiness of dollar exchange, our trade relations with Europe are being interrupted and curtailed by the chaotic conditions which prevail in most of the European countries. In many of these the reprehensible practice of inflating the note issue has continued practically unchecked throughout the year, and, if not stopped, is bound, according to all past experience, to end in the economic, commercial, and even social collapse of the countries where the practice prevails. ... I welcome the approaching international conference at Genoa in the hope that it will accomplish the following necessary things: Settle the amount of Germany's reparation at a figure which she ought to pay, but which she can pay; fix the method of payment so as to cause the minimum of disturbance in the foreign exchange market; induce the several Governments to balance their budgets and cease further issue of inconvertible notes; abolish tariff walls and similar restrictions upon international trade, and establish peace."

Corn for Russian Relief Arrives

An Associated Press dispatch from Moscow to the press of March 2 states that the first of the corn purchased with the American Congressional appropriation of $20,000,000 reached the actual starvation belt when a trainload arrived at Tsaritsyn, in the Saratov region, on February 25, according to advices to the American Relief Administration headquarters at Moscow. Twenty-five trains from Novosossysk, on the Black Sea, are now moving to the various hunger points. Six ships have arrived at Novosossysk and two at Odessa since February 6, and the unloading is proceeding satisfactorily. The steamship, Eastern Ocean, loaded with seed grain, grounded near Novorossysk, but the cargo was lightered and taken into port.

European Situation

Arthur R. Marsh says, in an extensive review of economic conditions in Europe, in The Economic World for February 25: "The note of extreme discouragement, not to say despair, with regard to the possibility of a restoration of Europe to something like economic normality within the foreseeable future has recently been sounded again in various quarters both in Europe itself and in this country. Among those giving expression to opinions of this order, moreover, have been several personages much in the public eye whose utterances are certain to command widespread attention and to make a deep impression upon numerous minds. In Europe an immediate cause of emphatic declarations to the effect that the former belligerent nations are still economically prostrate as a result of the war and can not be expected to regain their old-time industrial and commercial strength for an indefinite time to come appears to have been the adoption by the Congress of the United States of the bill for the refunding of the Allied indebtedness to this country. This measure has generally been received by the official press and by the more authoritative publicists of the countries of Continental Europe -- the case is different with Great Britain -- with assertions of the utter impossibility of meeting its terms. ... The present attitude of the exponents of European opinion is to be explained as due to an almost complete loss of confidence on their part in the ability of the war-weakened nations of Continental Europe to accomplish their own economic rehabilitation. ... Nevertheless, the fact remains that industry and trade within these countries, and between these countries and ourselves, so far from being reduced to the complete helplessness which would naturally be expected to result from the difficulties under which they labor, are actually giving clearer and clearer evidence all the time of their ability to thrive. ... However it may be done in the face of the depreciated and incessantly fluctuating European exchanges, the users of American cotton on the Continent of Europe are able to arrange for the financing of whatever supplies of the commodity they can profitably turn into goods. And so it is with our foodstuffs and with various other raw materials we produce. More than this, it is a statistical fact that Continental Europe is showing itself a better buyer of our products than we are of what it has to sell. ... As we see the matter, the deduction to be drawn from this condition of things is that the economic recuperation of Europe is being steadily achieved by the energy and initiative of the great body of producers in the very countries whose plight appears to Mr. Vanderlip to be so completely hopeless."

Foreign Trade

"There has been a good deal of discussion in these columns over the effect of export trade in farm products upon domestic prices. Some readers profess to believe that inasmuch as the farmer gets only a comparatively small portion of the export price, export business might just as well be done away with altogether. The Business Farmer has taken the position that the indirect effect of export trade upon all domestic prices is far more important than any direct pecuniary benefit the farmer might receive from such transactions. At the same time the Business Farmer believes that everything possible should be done to put the farmer in control of the export end of his business that he may receive a greater direct benefit from the same than he does under the present system. ..." (Michigan Business Farmer, Feb. 25.)

Freight Rates for Live Stock

Cattlemen in Texas have joined in a move to obtain an emergency freight rate, carrying a reduction of 20 per cent on stock cattle for the spring shipments to ranges in the North. (Dallas dispatch to press of Feb. 28.)

Muscle Shoals Inspection Delay

Senator Lodge, March 1, requested the chairman of the Senate Committee on Agriculture and Forestry to delay the trip to Alabama temporarily so as not to interfere with consideration of the treaties. The absence of 45 members who have expressed a desire to see the Muscle Shoals projects would compel the Senate to discontinue its business. (Press, Mar. 2.)

Official Statistics

"One vitally important fact that has come out of the recent court decisions on trade associations and hearings before congressional committees is the absolute need of accurate and sufficient statistics to carry on business intelligently. Yet at this very time, when a speeding up of the service of quick reports of market figures is being urged before committees of Congress, it is hard to make them realize or appreciate the importance of statistics of production, stocks and consumption of basic commodities. ... If proper attention were given to this fundamental matter of gathering sufficient important, timely statistics for basic industries like the meat packing business, Government reports would be of greater usefulness to business, rather than being of interest only to the student and as a matter of record. And their accuracy would be guaranteed by giving to those experts in charge of the collection and compilation of statistics adequate machinery for the accomplishment of their work." (National Provisioner, Feb. 25.)

Rice Growers Against Packers' Decree

Rice growers of Louisiana have joined hands with Vernon Campbell, of the California Cooperative Canners' Association, in an effort to have the packers' consent decree set aside, it was learned February 27. It was stated that the rice men have found themselves unable to market their crops to full advantage on account of the decree, which prohibits the meat packers from engaging in business other than meat packing and that the shutting off of the market afforded by the packers has deprived them of the principal outlet for their products. (Jour. of Commerce, Feb. 28.)

Roquefort Cheese Legislation

Imitation Roquefort cheese has become so general both abroad and in France that the Government has proposed a law to protect this product, which is not only exclusively French but which for a thousand years has been one of the great prides of the French people. (Paris cable to N.Y.Times, Mar. 2.)

Standardized Containers

"One of the most practical efforts at improvement made by the Institute of American Meat Packers has been the organization and work of its standing Committee on Standardized Containers. A recognized abuse in the industry has been the multiplicity of sizes of containers for various packinghouse products, particularly lard. It has been admitted that so many sizes were unnecessary, but competition has compelled the making and keeping on hand of a great variety of sizes when a few of standard dimensions would have been sufficient. This abuse the institute has sought to do away with through the work of this committee." (National Provisioner, Feb. 25.)

Waterways Discussed

Development of waterways transportation in the interest of national commerce was urged by speakers at the opening session at Washington, March 1, of the seventeenth annual convention of the National Rivers and Harbors Congress, which was marked by debate on the Great Lakes-St. Lawrence project, with Governor Miller, of New York, in opposition, and Governor Allen, of Kansas, and H. H. Merrick of Chicago, former chairman of the Mississippi Valley Association, in favor. Governor Allen stressed the "tragedy of transportation," from which, he declared, the Middle West had suffered. The proposed canal, he said, would bring ocean-going vessels to the lake ports, aiding the transportation shortage of eighteen Middle Western States. Besides, the project would give great power supplies to the Eastern States. Governor Miller emphasized the cost of the project and brande the International Commission's favorable report as "superficial" and one of "utter worthlessness." The cost, he added would greatly exceed the estimate of $250,000,000. He declared the project ought not to proceed without further exhaustive inquiry. (Press, Mar. 2.)

Section 3.

MARKET QUOTATIONS.

Farm Products

Mar. 1: Lower Liverpool market, inactive export demand, weakness in cash market, and favorable crop reports from Southwest caused prices to decline; Chicago May wheat lower at $1.43 3/4; Chicago May corn lower at 66 1/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.40; No. 2 hard winter wheat $1.38; No. 2 mixed corn 61¢; No. 3 white oats 37 1/2¢. Average farm prices: No. 2 mixed corn in Central Iowa about 47 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.36 1/2; No. 2 hard winter wheat in Central Kansas $1.22.

Chicago hog prices 10¢ to 20¢ lower, bulk of sales $10.75 to $11.75. Beef steers steady to strong, medium and good grades $7.35 to $9.15. Butcher cows and heifers strong at $4.15 to $8. Fat lambs down 25 to 50¢ at $12.75 to $15.40.

Chicago potato market firm; other markets steady to firm. New York Round Whites steady at $1.81 to $1.85 per 100 lbs. sacked. Maine Green Mountains in bulk up 10¢ f.o.b. at $1.31 to $1.41. New York Baldwin apples A 2 1/2 steady f.o.b. at $7.25 per bbl. Danish type cabbage, shippers in Western New York asking $33 to $35 per ton bulk.

Hay market practically unchanged in East but higher for best grades in Central West. Heavy snows causing firmer market at Kansas City. Most feed markets firm. Demand for middlings good.

Butter markets steady to firm.

Spot cotton down 10 points closing at 17.43¢ per lb. New York March futures down 16 points at 18.38¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Mar. 1: Average closing price 20 industrials 85.33, as compared with 75.19 corresponding day 1921; average closing price 20 railroad stocks 77.99, as compared with 72.83. (Wall St. Jour., Mar. 2.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Vol. IV, no. 51. Section 1. March 3, 1922.

Loan to Soviet Urged

The New York Times to-day says: "The Senate Committee on Agriculture may consider a proposition to loan from $20,000,000 to $30,000,000 to Russia, the money to be applied to the relief of the starving people in the regions of the Volga. Captain Paxton Hibben, Secretary of the Russian Commission on Near Eastern Relief, who was a witness before the committee March 2, said that probably 33,000,000 persons were in a starving condition in the Volga territory. It is foolish, he said, to talk of sending them seed grain, for they are, he asserted, too weak to plant the seed, even if they had it."

Bonus Legislation

A compromise soldiers' bonus plan, under which the cash feature would be eliminated where the former service men would be entitled to more than $50 adjusted service pay, was agreed on yesterday tentatively, but unanimously, by a special subcommittee of the Republican members of the House Ways and Means Committee. In the nature of a substitute for the discarded cash feature, there would be added to the adjusted service certificate title a provision which would enable the men selecting the certificate option to obtain immediately from banks a loan equal to one-half of the adjusted service pay to which they would be entitled on the basis of $1 a day for domestic service and $1.25 a day for overseas service. (Assoc.Press, Mar. 3.)

Packers' Decree

The Department of Justice thus far has found no violations by the "Big Five" Chicago packers of the consent decree divorcing them from their businesses unrelated to meat packing, Attorney General Daughterty advised the Senate, March 2. (Press, Mar. 3.)

Muscle Shoals

Examination of two of the three offers for purchase, lease and completion of the Government's war-projected properties at Muscle Shoals, Ala., was virtually concluded by the House Military Affairs Committee, March 2, Acting Chairman McKenzie announcing that the last offer, the bid of F. E. Engstrum, would be taken up to-day. At the conclusion of hearings yesterday the committee decided to make a personal inspection of the project. (Press, Mar. 3.)

Reciprocity

Chairman McCumber, of the Senate Finance Committee, and Chairman Fordney, of the House Ways and Means Committee, March 2 expressed their disapproval of any plan to put into force the 1911 reciprocity act. (Press, Mar. 3.)

Section 2.

Agriculture in Tenth Reserve District

"Advances of more than $2.50 per hundred weight in the price of hogs; strengthening of market values of cattle; sheep and lambs increased in price $2.75 to $3.00; cash sales of wheat up 25¢ to 30¢ per bushel; corn and oats up 5¢ to 10¢ per bushel - these are among the developments in the few weeks of 1922, now passed, which are gradually improving the financial condition of the farmers and stockmen and speeding up progress toward general economic adjustment in the Tenth Federal Reserve district. The increased prices noted, together with prospects of lower freight rates and reduced farm operating costs, are looked upon as helps toward rectifying the disproportionate relations between prices of products of farms and ranges and prices of commodities which farmers and stockmen must buy. The effect of this improvement, however, is not fully reflected in the reports on business conditions as set forth in this monthly review. There are evidences of a general recognition on the part of business and banking interests that further improvement is necessary to place all business and industry on a sure and lasting basis, and this must be worked out by gradual process." (Monthly Review, Federal Reserve Bank, Kansas City, Mo., Feb. 25.)

Business Situation Improved by Agricultural Rise

Improvement in the general business situation as a direct result of the rise of farm products during the past month is noted in the review published March 2 by the National City Bank of New York. That the gains which have been made will in large part be retained by the farmers is the belief expressed in the review, which says: "This advance is of greater significance than any other development that has occurred since the prices of farm products broke in the fall of 1920, It is the first burst of real sunshine, and as such in marked contrast with the artificial variety which has been rather laboriously disseminated by cheerful people who have thought nothing was required but that everybody should smile at each other. A deadlock has existed, as a result of farm products having fallen much faster and farther than other products, and prosperity has been waiting on a correction of this uneconomic and unjust situation. Another demonstration has been afforded of the profound truth that the economic law and the moral law are always in harmony, and that it is a wise management to bring business affairs into line with them."

Commenting upon this phase of the business situation, the monthly business and financial review just made public by the Federal Reserve Board says: "The readjustment process, it would appear, has now definitely reached the stage of interindustrial price revision. The advance in value of agricultural products has tended to create conditions materially facilitating both the liquidation of loans at banks and the rapidity of movement of products to markets."

Canadian Grain Embargo

An embargo has been placed on all shipments of grain to the Pacific Coast. This has been necessitated by the large accumulation of wheat that has been in transit for a long time and is causing congestion at Vancouver. (Calgary dispatch to press, Mar. 2.)

Cotton Excise Duty in India Increased

The budget statement presented to the Indian legislative assembly, March 1, by Finance Minister Hailey and issued in London by the Indian office shows large customs increases. The general ad

valorem duty is raised from 11 to 15 per cent and the cotton excise duty at the same time is correspondingly increased from 3 1/2 to 7 1/2 per cent, with the object of taxing the consumption of cotton goods in the present emergency and not for the purpose of counter-balancing the increase in import duty. The budget provides for an increase in the duty on sugar from 15 to 25 per cent, the imposition of a 5 per cent duty on imported yarn and an increase in the duty on machinery, iron and steel railway material from 2 1/2 to 10 per cent. (Assoc. Press dispatch from London to press, March 2.)

Crop Insurance

"The insurance companies have broadened their activities in recent years, and now cover many risks which formerly were not thought to be insurable. It might be possible to work out an equitable system of crop insurance, but the problem is by no means a simple one. State cost surveys have shown repeatedly that a few farmers can produce a crop, say of wheat, for less than half the cost actually incurred by other farmers in the same State. Disregarding these extreme cases, a difference of 25 per cent in the cost of a crop is quite common. The reason is fully understood by every practical farmer. ... Will crop insurance put a premium on sloth and inefficiency? Will the intelligent and industrious farmer, who gathers a moderate crop in spite of unfavorable weather and insect enemies, be assessed to pay insurance to his less industrious neighbor whose crop failed entirely? If not, who will establish a standard of efficiency, and differentiate between failures caused by nature and failures due to the farmer? Have any successful farmers asked for crop insurance?" (The American Fertilizer, Feb. 25.)

Farm Financing in Britain

"Of great moment to the farmers and stockmen of England is a scheme that is being pressed by the National Farmers' Union of Leicestershire, if it can be effected. It is therefore likely to become an agricultural plank in the general election program. This is the scheme: Loans for 50 years, to be guaranteed by the State, to the extent of 90 per cent of the freehold value of the land occupied by yeoman owners, are proposed. Interest of 4 per cent is contemplated in the scheme on a valuation certified by a competent 'valuer,' and a sinking fund of $\frac{3}{4}$ per cent, making, broadly, 5 per cent for both. Every owner is to be eligible for the loan, which will cost the State but its guarantee, it is asserted. The value of the land in England and Wales which, being occupied by owners, would be eligible for these loans is estimated at 300,000,000 English pounds. Not all owner-occupiers, of course, would wish to borrow. The originator of the scheme, a leader in the National Farmers' Union and the Chamber of Agriculture, explains that the State's safety in guaranteeing such a loan would lie in the 10 per cent margin, and the state would never lose a penny in guaranteeing 90 per cent. English lands are cheaper than those anywhere else, it was contended, considering the large sum that has been put upon them, draining, roads, building, pasture, seeding and all other factors included." (The Idaho Farmer, Feb. 23.)

Farm Prices

"Rising Farm Prices" is the title of an editorial in The Wall Street Journal for March 2 which says in part: " ... There are no official figures of wheat reserves on February 1, but the Goodman estimate is for 110,000,000 bushels on farms exclusive of seed, and

about 140,000,000 bushels in other positions. This, of course, is not an enormous improvement for the farmers, but the increase in the price of corn, of which the farm reserves must be more than 1,500,000,000 bushels, is an important item. Then, too, hogs, which in the last analysis mean corn, are bringing better prices, and the prospect for cattle is steady improvement. The most important fact in this upward movement lies in the future. The trouble with farm products in the past has not been that of oversupply, so often alleged. The trouble was in underconsumption. Conditions point to a better purchasing power in the future, while the world crop outlook emphasizes the fact that North America must still be the chief source of supplies for food and feedstuffs. Farm produce should logically rise, while a readjustment of other prices may still be downward. Bringing the two nearer together will be one of the best things that has ever happened for American industry and trade."

German Potash Trusts Fight for Control

"A struggle for the control of the State-formed Potash Syndicate has begun between the Deutsche Kaliwerke and the Wintershall concerns, each of which is a big trust in itself. Potash stocks are soaring upward, and already most stand higher than in the first fortnight of November, since when other stocks have fallen heavily. The struggle will ultimately be of interest to Americans, because its object is export price policy. The Wintershall concern consists largely of 'easy' mines, which can be cheaply worked, and Wintershall therefore wishes for a general reduction of export prices and a price contest with Alsatian competitors, whereas the Deutsche Kaliwerke owns mines which are considerably costlier to work, and therefore stands for present or even higher prices." (Berlin dispatch to Jour. of Commerce, Mar. 2.)

Live-Stock Cooperatives

April 1 will be the date of the opening of cooperative livestock commission firms at Chicago and Buffalo if the present plans of the directors of the National Live Stock Producers Association are carried out. Work toward the establishment of these associations will be begun at once. Other associations will be lined up at Indianapolis, Cleveland and Pittsburgh. (Ill. Agric. Assn. News Letter, Feb. 23.)

National Wheat Pool Considered

A national federation of wheat marketing associations operating on the 100 per cent pool basis is forecast in a decision made at Denver, March 2, by a conference of State associations covering practically the entire wheat producing territory of the United States. The conference unanimously appointed a committee instructed to make preliminary arrangements for the national organization, which is to be put in effect as soon as the State societies of the middle West have actively entered the field of cooperative marketing. (Press, Mar. 3.)

Potato Growers in New Jersey Produce Own Seed

Cold storage has made it possible for South Jersey potato growers to develop an enterprise that gives promise of supplying better and cheaper seed for the planting of the early crop of potatoes which annually bring returns running into the millions, according to The Philadelphia Public Ledger, March 2. For years the Jersey growers bought their seed potatoes in Maine. Instead of planting the Maine seed in the spring, the Jersey growers hold this imported stock in cold storage until late summer. They then raise what they call "second croppers".

Prices in the West

Prices for most of the principal farm products in the Twelfth Federal Reserve district have risen materially since the first of the year, reports the Federal Reserve Bank of San Francisco. Wheat, wool and all kinds of live stock benefited particularly, as did also the citrus fruits, but the latter at the expense of damage by killing frosts and winds estimated as high as 50 per cent of the anticipated crop. The decline in loans and discounts between January 4 and February 8 was slightly over $60,000,000 and borrowings were reduced to $21,000,000, a decline of $12,600,000.

St. Lawrence Waterway

The Philadelphia Public Ledger to-day says in an editorial: "It will be surprising if the lower part of the Mississippi basin does not make common cause with the Atlantic seaboard and the Gulf ports against the St. Lawrence project. The old Mississippi-Missouri-Ohio waterways group, centering in St. Louis, Memphis, New Orleans and Cincinnati and drawing support from the central valley and the rivers tributary to the Father of Waters, is nursing its resentment. It sees the St. Lawrence scheme as a move to ignore the sea door that has been opened by the Mississippi-Warrior River barge lines established during the war and to exalt Chicago as an inland seaport. The Lakes-to-the-Gulf project, well along toward a practical completion, has been shoved into the background by the movement fathered in Chicago, obsessing the grain country and capturing the Farm Bureau Federation, boots and baggage. When the showdown comes it is likely the old deep waterways crowd will do battle for their own project cherished through a generation. The Mississippi Valley Association may pull apart and the 'farm bloc' find itself split in halves as the Gulf ports make themselves felt through the Southern farm bureaus and the great cotton-growing associations of the South and Southwest.'

On the same subject, The New York Times to-day says editorially: "New York's 'jealousy' and 'provinciality' in the matter disturb the bosoms of our Western brethern. She trembles for her commercial supremacy. She is alarmed about the Barge Canal. New York and New Jersey are about to develop this port. A chief commercial center of the world is not dependent upon any act of Congress. The Barge Canal was built, as Governor Miller says, by the State of New York. The West can use it or not, as it pleases. New York foots the bills. She is not afraid of competition, but why should she be asked to consent to a mighty design as yet imperfectly investigated? Governor Allen said, with true Kansas fervor, that, even if the St. Lawrence Ship Canal cost twice as much as the engineers have estimated, it would be 'well worth while to the people of the Middle West.' That is a romantic way of dealing with figures. ... "

Wool

The United States Government sold about 4,000,000 pounds of wool at public auction, at Boston, March 2, and went out of the wool business, after having disposed of about 525,000,000 pounds and recovered about 85 per cent of its investment in wool for war purposes. Distribution of the wools was fairly general. The American Woolen Company was the largest individual buyer, taking 502,000 pounds, while Brown & Howe, of Boston, were the second largest buyers, taking 431,000 pounds, and Winslow & Co., with 401,000 pounds, were the third heaviest buyers. (Press, Mar. 3.)

Waterways

A "demand" was made on Congress in a resolution adopted yesterday at the closing session of the National Rivers and Harbors Congress that it approve at this session not less than the amount of money recommended by the chief of army engineers as necessary for improvements of national rivers and harbors. President John H. Small, of Washington, N.C., who was reelected president of the congress by a unanimous vote, called attention of the delegates to the fact that this is an election year and suggested that they go to their congressmen and demand adequate support for the rivers and harbors improvements needed. Maj. Gen. Lansing H. Beach, chief of army engineers, addressed the congress yesterday and said that in his opinion "you can not get a better argument for the waterways than the attitude of the railroads toward them." Vice President Coolidge, before the National Rivers and Harbors Congress, last night, laid emphasis upon the development of the country's inland waterways as "foremost in the development of commerce." (Assoc. Press, Mar. 3.)

Section 3.
MARKET QUOTATIONS.

Farm Products

Mar. 2: Grain market firm after weak start and there was a sharp upturn toward close; Chicago May wheat higher at $1.46 1/8; Chicago May corn higher at 67 1/4¢. Export demand brisk. Flour business improved. Receipts Southwest falling off. Closing prices in Chicago cash market: No. 2 red winter wheat $1.42; No. 2 hard winter wheat $1.41; No. 2 mixed corn 62¢; No. 3 white oats 38¢. Average farm prices: No 2 mixed corn in Central Iowa about 48 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.32 3/4; No. 2 hard winter wheat in Central Kansas $1.23.

Chicago hog market up 10 to 15¢, bulk of sales $10.85 to $11.15. Beef steers strong, medium and good beef steers $7.40 to $9.15. Fat cows and heifers strong to higher at $4.15 to $8.15. Veal calves mostly 50¢ lower at $7.25 to $11. Fat lambs mostly steady at $12.75 to $15.25.

Potato markets generally steady; Chicago slightly weak. New York sacked Round Whites firm f.o.b. at $1.85 per 100 lbs. Maine Green Mountains, in bulk, steady f.o.b. at $1.31 to $1.41 per 100 lbs. New York Baldwin apples A 2 1/2 steady f.o.b. at $7.25 per bbl. New York Danish type cabbage firm f.o.b. Western New York points at $35 per ton bulk.

Hay market practically unchanged. Cold and snow causing urgent demand and higher prices in Northwest. Most feed markets firm. Northwestern markets quote firm prices for wheatfeeds.

Butter markets firm. Demand active; all grades moving well.

Spot cotton down 1 point closing at 17.42¢ per lb. New York March futures down 3 points at 18.35¢. (Prepared by Bur. of Mkts. & Crop Est.)

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UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 52. Section 1. March 4, 1922.

Government Expenditure on Roads

Expenditure by the Federal Government during the next three fiscal years of $190,000,000 on roads in cooperation with the States is provided for in a bill introduced in the House yesterday by Representative Woodruff. (Press, Mar. 4.)

House Committee Reports Seed Grain Relief

The House Committee on Agriculture, March 3, reported favorably an appropriation of $2,000,000 for purchase of seed grain for farmers in the crop-failure area of the Northwest, the Senate having provided for $5,000,000. (Press, Mar. 4.)

Farm Woman Asks Relief

Mrs. Nels P. Radick, a farmer's wife of Fulda, Minn., appealed to the Senate Committee on Agriculture and Forestry, March 3, for relief for the agricultural classes, stating that the education of millions of farm children is being sacrificed in the struggle for existence forced on the agriculturists by the deflation of farm prices. In advocating the bill for Government fixing of agricultural prices, Mrs. Radick said that the farmer "plows in hope, lives in faith and markets by accident." (Press, Mar. 4.)

Deficiency Bill Passed by House

Without a record vote, the House, March 4, passed and sent to the Senate a bill appropriating approximately $108,500,000 to meet deficiencies of various Government departments. (Press, Mar. 4.)

Rail Control of Ships

If railroads were permitted to own and operate steamships in foreign trade this would contribute to general prosperity by helping to make the railroads prosperous, according to opinion in administration circles, it was said March 3 at the White House. The Nation's great need, it was declared, was reduction in the cost of transportation, coupled with the upbuilding of a merchant marine and the stimulation of trade. (N.Y. Times, Mar. 4.)

Bonus Legislation

Unanimous agreement on a compromise soldiers' bonus bill along the general lines outlined officially March 2 was reached yesterday by the House Ways and Means Committee. (Press, Mar. 4.)

The Agricultural Conference

The American Review of Reviews for March contains an extensive review of the National Agricultural Conference, by Richard T. Ely. This says in part: "To one who is familiar with the history of farmers' organizations and with the conventions and meetings of various sorts held during the past twenty to thirty years, the most outstanding feature of this conference is the progress that has been made in right feeling and sound thought. A conference such as this which has just been held would have been an impossibility ten years ago and even five years ago. The progress which has been made is beyond all question due mainly to general enlightenment, and this general enlightenment is the result of quiet, educational work that has been in progress during the past generation. It is a splendid vindication of those who have preached the doctrine that education is the essential, indispensable feature of Americanism. The conference was dealing with economic questions, and in our agricultural colleges and universities no feature of their growth has perhaps been so marked during recent years as the enlargement and enrichment of the departments of economics and the increase in the number of students taking this work. Twenty years ago economics was scarcely recognized in the agricultural colleges of the country; now it is probably without exception the most rapidly growing department in these colleges. A generation ago a Secretary of Agriculture said that he wanted no economics in the United States Department of Agriculture; whereas to-day Secretary Wallace has stated repeatedly that the various branches of economic research in the Department of Agriculture are felt by him to be at least equal in importance to any other work that is being carried on by this vast governmental agency. Next in importance to the improvements seen in the grasp of the economic questions involved, as shown especially in the resolutions adopted, we may mention the general display of manly courage in facing the future and good-will toward other social groups."

Cooperative Marketing Bill Comment

Farm Life for March says in an editorial: "It may seem ungracious to suggest difficulties at this moment of celebration, but it is well for each individual farmer to keep two points in mind. The first is that the cooperative movement must be sane and reasonable, and founded on the Golden Rule, or it will fail, even if it is exempted from the restrictions of the anti-trust laws. The second thing to remember is this: Cooperative societies have sometimes failed because of the failure of the officials and leaders. The producing members of the societies should not be unduly suspicious, but they should see to it that their organizations are well officered. Granted these two things the movement should gather momentum and strength as the years pass."

Section 2.

Agricultural Financing

1. The War Finance Corporation announces that from February 27 to March 1, 1922, inclusive, it approved 186 advances, aggregating $4,818,000, for agricultural and live-stock purposes in 24 States. The board has also approved an advance of $722,000 to a financing institution organized to promote export trado, for the purpose of financing the exportation of cotton. (W. F. C. press statement, Mar. 3.)

2. The American Review of Reviews for March says: "The editor of the Credit Monthly (New York), recognizing the fact that agricultural borrowers must be protected and favored at this time in every legitimate way by all financial institutions, concludes that if the banking

reserves of the Nation are to be kept liquid, it is not safe for the Federal Reserve banks to go farther than to discriminate in favor of six-months agricultural paper. He proposes as steps to relieve the existing stringency that: First, the farmers and the banks of agricultural regions must cooperate with the Federal Reserve authorities in furnishing that information regarding the resources and liabilities of borrowers necessary to determine whether notes offered are such as are proper to rediscount in the Federal Reserve bank. The farmers must be educated through the agricultural schools, through the help of banking associations, through the cooperation of business interests with farmers' organizations to appreciate the fact that there are limits beyond which the Federal Reserve banks cannot safely go quite apart from any law they may succeed in passing. Second, economists, bankers, business men and others must give thought to providing the farmer with credit facilities which shall fit into his requirements for longer term credits than it is safe for the Federal Reserve banks to provide. Third, the agricultural sections of the country must be brought into closer touch with the Federal Reserve system by having a larger portion of the agricultural banks within that system. So long as in the largest agricultural States individual banks remain out of the Federal Reserve system, so long will those States fail to enjoy, to the extent to which their wealth and capacity entitle them, the facilities of the Federal Reserve banks. ... The men who handle commercial credits understand that prosperity on our farms means prosperity in our industries, and that failure on our farms, whether of crops or markets, means bankruptcies in merchandising and industry."

Agriculture in Congress

In an editorial entitled "Scolding Congress," The Journal of Commerce for March 3 says: "The farmers have cause for complaint that Congress has done nothing to relieve them of conditions imposed upon them by drastic decline in the prices of their products. But abiding betterment is not to be sought in Government credit to the farmers, price guarantees or other forms of direct public aid. ... Where Congress has most woefully failed is in not taking vigorous steps which may reasonably be expected to afford industry and commerce a fair chance to revive. A sound ship policy, a reasonable tariff program promptly adopted, a tax law more in keeping with the needs of the situation -- these three alone would be of more real and abiding benefit to the farmer, and workman and the veteran than the whole tribe of subsidies and other panaceas combined. It is unfortunate that these sundry dissatisfied elements in the population can not or will not view the situation more sanely and combine to make reasonable demands upon Congress and see that they are effective."

Freight Rates

Actual experience of railroads during the past year indicates that freight-rate reductions do not increase business, S. H. Johnson, vice president of the Rock Island Railroad, testified March 2, at the Interstate Commerce Commission general rate hearings. The reduction of hay and grain and live stock last fall, Mr. Johnson submitted, had cost his railroad about $5,000,000 in lost revenues, and brought "no possibility of recouping from increased volume." (Press, Mar. 3.)

Prices

In his weekly review of the business situation, Theodore H. Price says, in Commerce and Finance, March 1: "On the Chicago Board of Trade wheat has sold at an advance of more than 40 cents over the season's low. Corn is up 14 cents from the bottom and hogs, hog products and cattle are well on the way to the level of normalcy. From this an early increase in the buying power of the farmers is argued and the stocks of the mail order and agricultural implement concerns are being bought on this theory. In the cotton market there has been a recrudescence of bullish sentiment and through the advance has halted around 18 cents the present feeling is that a crop of 10,000,000 bales next year will be too small to supply the increased American consumption plus the larger demand from Europe that is expected as a result of the greater purchasing power indicated by the advance in foreign exchange. The prices for many of the less talked of commodities such as hides, leather, wool, lumber, coffee and cotton oil are likewise tending upward and while sugar is slightly lower the much talked of surplus is being distributed with amazing rapidity."

Russian Relief

"Our Corn in Russia" is the title of an editorial in The New York Times for March 4, which, referring to the arrival in Russia of corn purchased with the American Congressional appropriation, says: "The great problem now seems to be to get these food supplies transported from the ports to the places of utmost need as rapidly as the cargoes can be discharged. Our ships are carrying to Russia more than can be transported inland with present facilities (five times as much at the moment, it is estimated). What awaits shipment is intimated by the immense purchases already made: 7,817,999 bushels of corn, 5,090,652 bushels of seed wheat, 48,842 tons of corn grits and 602,400 cases of evaporated milk. There will be unquestioned future need beyond the world's united ability to relieve it, but these figures show that all is being done that is humanly possible under present conditions by the Committee for Russian Relief appointed by President Harding."

St. Lawrence Waterway

"An Unilluminating Debate" is the title of an editorial in The Journal of Commerce for March 3, which makes the following comment on the discussion of the St. Lawrence waterway at the recent National Rivers and Harbors Congress: "Unfortunately the public will be able to get from the recent discussion of Governor Allen and Governor Miller but little if any of the much needed pertinent information upon which to base an intelligent opinion relative to the proposed development of the St. Lawrence as a source of power and a waterway for seagoing ships. The Kansas Executive gave over most of his time to the all too familiar jargon of Mid-Western politics. ... What is the probability of ocean-going ships finding it profitable to go into the Great Lakes? How much grain are we likely to be sending to Liverpool 15, 20 or 50 years from now? What charges per bushel will be necessary on grain passing through the proposed canal in order to meet operating, maintenance and capital costs of the project? Can shippers meet these charges and still find it profitable to patronize the canal? These are the questions to which the public wants answers. Upon these issues there is a significant silence in grain-growing States.

If the criticisms of Governor Miller are directed at the report of the Joint High Commission they are fully warranted. Estimates of cost are in all probability much too low. ... "

Section 3.

Department of Agriculture

1. "Hunting the Chaulmoogra Tree" is the title of an extensive article, fully illustrated from photographs by the author, by J. F. Rock, Agricultural Explorer, Office of Foreign Seed and Plant Introduction, Bureau of Plant Industry, in the National Geographic Magazine for March. The introductory paragraph in the article says: " 'Chaulmoogra' is no longer a strange-sounding name, for of late it has appeared frequently in newspaper dispatches as a possible cure for leprosy, and in fact two constituents of Chaulmoogra oil, chaulmoogric and hydnocarpic acids, but especially their ethyl esters, have proved efficacious in the treatment of that dreadful disease. These acids were first isolated and described and their esters prepared nearly twenty years ago by Dr. Frederick B. Power and his assistants." Mr. Rock concludes the chronicle of his explorations in foreign countries in connection with the chaulmoogra tree as follows: "The dearly bought Chaulmoogra seeds were shipped from Mawlaik to America, where they are now growing ready to be transplanted. In conclusion, it may be stated that the ethyl esters manufactured in Hawaii are unfortunately only sufficient for treatment of lepers in Hawaii. ... These leprosy specifics are now manufactured by several firms, but not in quantities large enough to supply the world. This can only be accomplished by growing the trees as a plantation crop. Hawaii has taken the lead in the establishment of a Chaulmoogra plantation, but it must be remembered that it will be at least eight years before these trees produce fruit."

2. A second article of especial interest to the department in the March number of the National Geographic Magazine is "Fighting Insects with Airplanes," by C. R. Neillie and J. S. Houser. The article, which is illustrated, gives an account of the successful use of the flying machine in dusting tall trees infested with leaf-eating caterpillars.

Section 4.

MEETINGS, HEARINGS AND VISITORS.

The Executive Committee and Board of Vice Presidents of the World's Dairy Congress Association will meet in Secretary Wallace's office at 1.30 p.m., March 13.

Senate committee on Banking and Currency will begin hearings on the Lenroot Rural Credit bill, March 10.

The Executive Committee of the National Grange will meet at the office of the National Grange, 630 Louisiana Avenue, March 6. The committee consists of W. J. Thompson, South China, Maine; Leslie R. Smith, Hadleigh, Mass.; S. J. Lowell, Fredonia, N.Y.; and Dr. T.C. Atkeson, Washington, D.C.

Section 5.

MARKET QUOTATIONS.

Farm Products

March 3: Grain prices closed lower following advance in sympathy with Liverpool and Buenos Aires markets; Chicago May wheat $1.45 3/8; Chicago May corn 66 1/2¢. Country offerings all grains light. Closing prices in Chicago cash market: No. 2 red winter wheat $1.41; No. 2 hard winter wheat $1.40; No. 2 mixed corn 61¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in Central Iowa 48¢; No. 1 dark northern wheat in Central North Dakota $1.36 1/2; No. 2 hard winter wheat in Central Kansas $1.22.

Chicago hog prices up about 10¢, bulk of sales $11 to $11.25. Medium and good beef steers steady at $7.40 to $9.15. Butcher cows and heifers steady at $4.15 to $8.15. Fat lambs up 25 to 50¢ at $13 to $15.75.

Potato markets nearly steady; Philadelphia slightly weaker. New York sacked Round Whites up 3¢ f.o.b. at $1.88 per 100 lbs. Maine Green Mountains, in bulk, up 5¢ at $1.36 to $1.46. New York Baldwin apples A 2 1/2 steady f.o.b. at $7.25 per bbl. New Jersey Yellow sweet potatoes $2 to $2.25 per bushel hamper in New York City.

Hay receipts very light; markets generally firm. Feed demand slow. Future offerings moderately liberal. Northwestern markets quote firm prices. Eastern markets easier.

Butter markets firm; all grades moving well.

Spot cotton down 8 points closing at 17.31¢ per lb. New York March futures down 12 points at 18.23¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Mar. 3: Average closing price 20 industrials 86.46, as compared with 75.11 corresponding day 1921; average closing price 20 railroad stocks 78.10, as compared with 73.23. (Wall St. Jour., Mar. 4.)

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Vol. IV, no. 53. Section 1. March 6, 1922.

A Year's Accomplishment

In a review of the first year's accomplishments of President Harding's administration, The Washington Post for March 5 says: "Secretary of Agriculture Henry C. Wallace confronted a serious problem when he assumed his duties. He found that the farming industry of the United States was facing a serious crisis. Prices were falling rapidly and farmers generally were facing bankruptcy. The Secretary met the situation and every resource of his department was set to work to cope with it. A conference of leading men from all of the industries affiliated with farming was called to meet with practical dirt farmers and endeavor to work out a program that would assist agriculture back to normalcy. That the efforts of Mr. Wallace were successful is best shown by the improved prices that to-day prevail for every product of the farm. Prosperity is in sight and the farmers generally expect one of the best years in the history of the Nation during the coming eight months. ... "

President of St. Louis Live-Stock Exchange Criticizes Secretary Wallace's Complaint

Referring to the formal complaint issued by Secretary Wallace against every live-stock commission firm that is a member of the St. Louis Live-Stock Exchange, and against the principal order buyers, dealers and traders at the St. Louis National Stockyards, who have refused to do business with independent commission merchants, Harry B. Carson, president of the St. Louis Live-Stock Exchange, declared, March 5, that "members of the St. Louis Stock Exchange have not committed any act bordering on a boycott." His statement says in part: "The recently enacted law confers upon the Secretary of Agriculture sweeping regulatory powers with regard to the live-stock commission business. The validity of the law is now being contested and will be given a hearing in the United States Supreme Court on March 20. Business men generally voted for more business in Government and less Government in business. If this is a fair sample of what we are to get -- good night business." (Phila. Ledger, Mar. 6.)

Seed Legislation

The House Appropriations Committee, March 4, struck from the Agricultural Appropriation bill, which will be reported to the House to-day, the $300,000 free-seed item, carried for years in the measure. (Press, Mar. 5.)

Roads Legislation

The development of public roads in the Western States through the withdrawal from public entry and sale of certain lands is provided for in a bill introduced, March 4, by Senator Smoot. (Press, Mar. 5.)

President Asks $50,000 for Radio Regulation

President Harding, March 4, sent a request to the Senate for a supplemental appropriation of $50,000 to deal with an emergency caused by rapid increase in radio broadcasting. The appropriation, in addition to the $80,000 already authorized, would be for enforcement of the wireless communication laws. (Assoc. Press, Mar. 5.)

Muscle Shoals

Chairman Kahn, of the House Military Affairs Committee, March 4, issued a statement advocating creation of a national commission, empowered by Congress to straighten out the Government complications as to existing contracts with respect to the projects at Muscle Shoals, Ala., and to enter into negotiations for sale or lease of the properties. The commission would consist of the Secretaries of Agriculture, War and Treasury, and its first object would be to insure production of nitrates for war purposes, as well as the production of fertilizers for the Nation's agricultural needs. (Press, Mar. 5.)

Packers' Loss

In a report to the District of Columbia Supreme Court March 4, Morris & Co., one of the "Big Five" packing companies which was recently directed to dispose of its holdings in companies alien to the packing industry, set forth that in complying with the court order the corporation lost approximately $1,025,000. (Press, Mar. 5.)

Grain Growers, Inc., Form Great Sales Agency

Officers of the United States Grain Growers, Inc., March 5, announced incorporation of the United States Grain Growers Sales Company, a subsidiary organization, which plans to operate at once in the Chicago, Kansas City, Omaha, Indianapolis and Minneapolis markets. The subsidiary organization, according to officers of the Grain Growers, will be the largest grain-selling firm in the world. More than 110,000,000 bushels of grain will be marketed each year, officials said. "The U. S. Grain Growers Sales Company will engage in a general grain business and perform all the functions of grain firms in the terminal markets at the present time," President C. H. Gustafson said. (Press, Mar. 6.)

Radio Telephone Reports to Farmers

The farmer need be no more than thirty minutes behind his city brother in receiving news of the factors that determine prices of agricultural products, Robert Macdoughal, President of the Chicago Board of Trade, said, March 4, in a statement outling the board's plan to broadcast crop market reports by radio telephone, beginning Monday. His statement said in part: "The radio system will cover the territory within 500 miles of this city. In this area there are, I am informed, thousands of radio sets in villages and on farms. Even on farms where there is no apparatus there are telephones and the nearby village will have the radio reports." (Chic. dispatch to Press, Mar. 5.)

Speculation Advocate Wins Debate on Wheat

An Associated Press dispatch from Lexington, Nebr., to the press of March 5, states that J. Ralph Pickell, Chicago economist and financial writer, March 4, defeated George J. Jewett, of Portland, Oreg., president of the Northwestern Wheat Growers' Association, in their debate on whether speculation is a menace to the marketing of grain.

Section 2.

Agricultural Research

Emphasizing the value of research in the field of agriculture and outlining the fundamental problems to be solved, President Woods of the University of Maryland, in a communication to the American Association for the Advancement of Science, points out that agricultural productivity remains, just as much as ever, the foundation of our well-being. "There is a broadening opportunity," President Woods says, "for investigation of agricultural problems and for applying our best knowledge of the principles of chemistry, engineering, biology, sociology, and economics to the production, distribution and consumption of food and of raw materials of manufacture. ..."(N.Y. Times, Mar. 4.)

Agricultural Situation

Eugene Meyer, Jr., is the author of an article in The Magazine of Wall Street for March 4, which says in part: "The difficulties of the farmer in the last two years have been due largely to his inability to market his crops in the customary manner, and to the necessity that has been forced upon him of carrying them for a longer period. Before the war, the exportable surplus of our crops was bought in bulk and moved rather promptly after harvest, for the most part by European importers. Producers and exporters on this side had to carry it and finance it for a comparatively short period. But since the war owing principally to the condition of exchange, the importing nations -- even when buying as much as formerly -- have bought on a hand-to-mouth basis, so to speak, making purchases only to meet current needs The selling of our agricultural products for export has become a twelve-months' process instead of a brief seasonal one, and the financing and storage, with their attendant problems, have been shifted from the foreign buyers and bankers to us. Similarly, jobbers, manufacturers and wholesalers in this country, following the collapse in commodity prices and markets, became unwilling to carry their usual stocks in anticipation of demand, and domestic buying likewise developed a tendency to spread over the year. All this resulted in putting a new financial burden on the farmer and his banker -- a burden which they were not prepared to carry. ... The lesson of the past year should be an understanding of the inter-relation of all our agricultural and industrial activities and of the common interest that we all have in each other's welfare at home and abroad. And as this understanding is brought to bear more and more on the economic problems of the country, I believe we shall see a rapidly increasing tendency toward the restoration of stability in both agriculture and commerce."

Bird Protection

T. Gilbert Pearson, secretary of the National Association of Audubon Societies, announced March 3 the receipt of an anonymous gift of $200,000, the income of which is to be used for the protection of wild birds and wild animals in the Western Hemisphere, for the education of the public in conserving them or for the protection of birds on reservations. This gift raises the endowment of the National Association of the Audubon Societies to $675,000. (N.Y.Times, Mar. 4.)

Bonus Legislation

"A Combination of Meanness" is the title of an editorial in The Journal of Commerce for March 4, which says in part: "It took the imagination of bonus Congressmen to work out such a combination of

meanness as is found in the latest plan which is to be inflicted upon the Nation if the President permits. Bonus greed joined unsound money theory in the effort to foist upon the banking system of this unhappy country the responsibility of providing 'loans' for 'veterans' if the latter demand it. The proposal to issue an 'insurance certificate' which shall serve as the basis for a collateral loan at a bank, and shall be ultimately presentable at the Treasury for the same purpose (the original bank lender then to be reimbursed) would strike as disastrous a blow at our credit structure as could well be delivered."

Free Seeds

"This free seed humbug is a 'graft' designed openly to act as a sort of petty bribery in the interests of Congressmen. To our mind, the man who accepts this little 'graft' disqualifies himself as a critic of those who take thousands where he takes seeds! We came near killing the free seed humbug this season. Another year we can get rid of it." (Rural New Yorker, Mar. 4.)

Live-Stock Marketing

Representatives of the National Livestock Producers' Association met at Toledo, O., March 2, and planned a cooperative commission company, to be established at the Union Stock Yards, Buffalo, N.Y. The company will act as a selling agency for members of the National Livestock Producers' Association, who ship their live stock to the Buffalo market. A similar company is being formed to handle the business of the association at the Chicago stockyards. (Press, Mar. 3.)

Market Information

"There is some evidence that the farmers of the United States are beginning to realize the importance of foreign markets. Sweet are the uses of adversity if the recent farm crisis turns them to a study of markets and the making of prices. Provincialism has always been a drawback in America. Aside from Congress, the farm has been the principal center for this lack of world vision. Even now, few understand that a panic which began in Japan early in 1920, when there was a violent break in the silk market, traveled throughout the east, including India, and Australia, then took in the whole of Europe where are our best customers, and reached South America and Canada, had anything to do with the break in farm prices here. Their political advisers laid the break to the wicked exchanges and the financial districts. But farm products are no longer disposed of in the immediate locality of their production. The farmer can not judge future prices by the condition of crops in his vicinity. His wheat crop and that of his whole state may be poor, but steam and electricity make other wheat fields readily available. His crop may be large, but a foreign consuming market may be bidding for wheat and therefore his surplus does not mean price depression. Liverpool is the great grain market of the world. There crop conditions of the world are assembled, and how much the consuming markets will need to buy is accurately gauged. On this information the price is based. The farmer in the interior of Kansas should receive for his wheat what Liverpool will pay for it less the cost of transporting and distributing. If the farmer does not know what the market is doing, he may suffer in consequence. When he does, he has a habit of blaming those who do make a study of world conditions and profit by their acquisition of a knowledge which is no monopoly. The cure for this is a wider knowledge of crop and economic conditions throughout the world, and a realization by the farmer that prices are made by factors which no human laws can limit or control." (Wall St. Jour., Mar. 4.)

Market Prospects

"The market continues to make steady progress toward higher prices, accompanied by greater breadth and activity. The rise is not confined to any special group, and is apparently due to the influence of gradually increasing public confidence in American industries. The market is discounting an improvement in business which is likely to progress more rapidly than many people expect." (The Magazine of Wall Street, Mar. 4.)

Seed Relief Legislation

Commercial West for February 25 says in an editorial on Senator McCumber's bill proposing a loan to farmers for the purchase of seed grains in crop-failure areas: "It is apparent that the proposition for the Government to advance five million dollars for seed and feed to farmers residing in counties where crops have been a failure for the past five years, is likely to be misunderstood by many who are not acquainted with western conditions. Such farmers are what are known as dry land farmers, ones who unwisely settled on lands that were good for no other purpose than grazing. While perhaps many of these farmers are deserving of help, the majority of them are of that class that never succeed. It is only right to state that Montana and North Dakota, notwithstanding all the adversities of the agricultural classes during the past year, are making progress. ... There has been an increase in North Dakota of milk cows, of hogs, notwithstanding that the value of these animals have largely decreased. The same is true in Minnesota. There has been an increase in Minnesota in dairy stock and in hogs. In Montana dairy stock has also been increased and in the three states diversified farming is making admirable progress. The outlook for the coming years was never better. Like other sections of the country, the greatest sufferings have been caused by the process of readjustment of world affairs, the decrease in prices of farm produce and not an adequate decrease in the price of commodities required by the farmers. While it is commendable to assist worthy farmers, it is more commendable to teach them to farm rightly and until a large number of settlers in the arid regions are learned in this regard, it is doubtful whether they will make much progress."

Shipping and Taxation

"Subsidies for Subsidies" is the title of an editorial in The Journal of Commerce for March 4, which says: "Apparently President Harding is determined to induce the midwestern farmer to allow himself to be taxed for the benefit of shipowners by assuring him that the shipowner (as well as a good many others) will be likewise taxed to provide a subsidy for him. Whether the farmer, or the shipping interests for that matter, will derive a net advantage of a permanent and sound nature from these offsetting favors and burdens is at least open to serious question. ... Let the farmers not deceive themselves. They will not fail to pay their share of the burden of the cost of a program of subsidizing our ships -- or of the expense for that matter of tariff favors. They may be and undoubtedly are able to escape a part of their rightful direct tax burden. Funds for ship gratuities may be derived in a manner which on the surface seems not to affect the farmer. But our agriculturists are large consumers of many varieties of goods. What they do not pay in other ways for the support of special interests they will pay in the form of higher prices. The value to the farmers of the waterways they are now so insistent upon is problematical at best -- even if they are provided, maintained and operated at public expense. ... "

Section 3.
MARKET QUOTATIONS.

Farm Products

Wheat prices firm during first half of week but buying power decreased latter half and close was heavy. Chicago May wheat lost 5¢; Chicago May corn down 5 1/2¢. Improved crop conditions Southwest, inactive export demand most of week, weakness in cash market, and lower foreign prices were factors influencing selling.

Chicago hog prices advanced 25 to 35¢, heavy hogs advancing most. Beef steers up 10 to 25¢; butcher cows and heifers up 15 to 40¢. Calves lost 25¢ to $1.50; fat lambs and yearlings 25 to 50¢; fat ewes 25¢. In eastern wholesale fresh meat markets mutton and beef advanced; veal lamb and pork loins declined.

New York and Chicago potato markets slightly weaker; other cities steady to firm. Supplies liberal, demand limited. ~~Cabbage markets~~ Cabbage markets strong. Supplies new stock liberal. Demand limited. Celery markets slow and dull. Apple markets firm; demand limited.

Hay receipts very light; markets generally firm. Prices advanced at several western markets. Feed demand slow. Future offerings moderately liberal. Northwestern markets quote firm prices. Eastern markets easier.

Butter markets firm at higher prices. Cheese markets active. Goods moving more freely.

Spot cotton down 36 points; New York March futures down 50 points.

Mar. 4: General liquidation on in both corn and wheat but prices reacted on reports of big export business. Chicago May wheat lower at $1.42 1/8; Chicago May corn lower at 63 1/4¢. Cash market steady. Closing prices in Chicago cash market: No. 2 red winter wheat $1.38; No. 2 hard winter wheat $1.37; No. 2 mixed corn 58¢; No. 3 white oats 37 1/2¢. Average farm prices: No. 2 mixed corn in Central Iowa about 45¢; No. 1 dark northern wheat in Central North Dakota $1.37; No. 2 hard winter wheat in Central Kansas $1.20.

Chicago live stock market unchanged. Hogs, bulk of sales $11 to $11.25; medium and good beef steers $7.40 to $9.15; butcher cows and heifers $4.15 to $8.15; fat lambs $13 to $15.75.

Potato markets slightly weaker. New York sacked Round Whites steady $1.88 per 100 lbs. Maine Green Mountains in bulk down 5¢ f.o.b. shipping points at $1.36 to $1.41. New York Baldwin apples A 2 1/2 steady f.o.b. Western New York points at $7.25 per bbl.

Spot cotton down 17 points closing at 17.14¢ per lb. New York March futures down 23 points at 18¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Mar. 4: Average closing price 20 industrials 85.91, as compared with 75.25 corresponding day 1921; average closing price 20 railroad stocks 77.79, as compared with 73.42. (Wall St. Jour., Mar.6)

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Vol. IV, no. 54. Section 1. March 7, 1922.

Department Appropriation Measure Reported Out to House

An appropriation of $34,978,033, to meet expenses of the Department of Agriculture during the coming year, was recommended in a bill, reported March 6, by the House Appropriations Committee. The total is less than the amount appropriated for the current fiscal year, and $1,554,835 less than budget estimates.

The bill carries $2,578,000 for eradication of tuberculosis in animals; $1,728,000 for payment of indemnities for tubercular cattle slaughtered by the Government; $600,000 for the prevention of the spread of moths; $547,840 for eradication of the pink boll worm; $200,000 to prevent the spread of the European corn borer; $50,000 for eradication of the foot and mouth diseases; $13,000 for wiping out Parlatoria date scale, and $25,000 for prevention of the spread of the Mexican bean beetle.

For enforcement of the Packers and Stockyards act, a $410,500 appropriation is recommended, while $103,600 is carried for enforcement of the Grain Futures Trading Act.

An appropriation of $6,523,000 is recommended for the Forest Service, but no provision is made for maintenance of an air patrol, for which $50,000 was appropriated for the current fiscal year.

A total of $4,285,960 is provided for the States Relations Service, of which $1,200,000 would be available for farmers' institutes and agricultural schools, and $1,000,000 for cooperative agricultural extension work -- $500,000 less than the amount appropriated a year ago. The bill carries $483,320 for the Bureau of Public Roads.

Of $3,503,583 recommended for the Bureau of Agricultural Economics, $291,707 is to be expended for investigation and encouragement of the adoption of improved methods of farm management and practice. Of this amount $150,000 may be used for ascertaining the cost of production of principal staple agricultural products. The Committee also recommended an appropriation of $471,200 for investigation into marketing and distributing of farm products and for cotton testing and cotton standards investigation.

An appropriation of $165,666 is recommended for rent of buildings in the District of Columbia. This amount is $1,000 more than the appropriation for the current fiscal year, and $16,200 less than the estimate submitted for the fiscal year 1923.

Discussing the elimination from the bill of the $360,000 carried last year for distribution of seeds by Members of Congress, the committee said in its report that the Budget Bureau, in submitting estimates, did not include provision for seed distribution.

The bill proposes new legislation which will raise the limit on salaries that may be paid to scientific employees, providing that the maximum salaries of any scientific employee shall not exceed $6,500. (Press, Mar. 7.)

House Rejects Aid for Seed Grain

By a close vote, the House, March 6, refused to suspend its rules and pass a bill authorizing an appropriation of $1,000,000 for the purchase of seed grain to be used in the drought-stricken areas of the Northwest. (Press, Mar. 7.)

Commenting editorially on this action, The Washington Post to-day says: "The failure in the House of the Senate bill authorizing the Secretary of Agriculture to advance loans to farmers for feed for stock and seeds for planting is the first check which has been experienced by the agricultural groups in the two houses Having been brought up under suspension of the rules, its defeat is due to the inability of its supporters to muster the requisite two-thirds vote; but it commanded a majority, and another attempt at a subsequent time may be anticipated."

Adapt Committees to Budget System

Complete coordination of Congress with the Federal budget system was provided for by a change in Senate rules adopted yesterday by a vote of 63 to 14, centralizing all money appropriations powers in the Senate Appropriations Committee. Heretofore the Army, Navy, Postoffice, Agricultural and other appropriation bills have been considered by respective committees. The Senate change follows the House centralization of money bills in the appropriation committee at the last session. Adoption of the new Senate rule will have the result of all appropriation bills in both branches of Congress being handled under the budget system. (Assoc. Press, Mar. 7.)

Farmers United Against Coal Strike

The Washington Herald to-day says: "The farmers, who are beginning to reap the benefits of returning prosperity, are alarmed by the possibility of a coal and rail strike. Such a strike would paralyze industry and agriculture in the planting season and halt the progress of readjustment from wartime economic conditions. S.J. Lowell, master of the National Grange, with a membership of 1,000,000 farmers, has addressed an appeal to the 8,000 local granges to be read at their meetings throughout the country this week urging them to mobilize their influence in the molding of public opinion into a universal demand for the settlement of the coal mine wage question without resort to a strike. The American Farm Bureau Federation, which opposes generally the use of the strike weapons, and other agricultural organizations, are expected to take a similar stand."

Cotton Duty

"An import duty of 7 cents a pound on long staple cotton -- the figure in the Emergency Tariff Law -- is understood to have been agreed upon March 6 by Republican members of the Senate Finance Committee who are rewriting the Fordney Tariff Bill. Senators of the Republican Farm tariff bloc asked for a rate of 15 cents a pound and their support in the Senate is being counted upon for a duty of 10 cents." (Phila. Ledger, Mar. 7.)

Treasury Opposes New Bonus Plan

"Strong objection, put forward March 6, at the Treasury Department, to the latest plan for providing a cash bonus for ex-soldiers, again threatened to complicate action on the Adjusted Compensation Bill. High Treasury Department officials regard the scheme now before Congress as merely a method for postponing the day of reckoning with the taxpayers. With President Harding, the Treasury Department still stands on the contention the Soldiers' Bonus Bill should carry with it the means for raising the money." (Phila. Ledger, Mar. 7.)

Argentina's Use of Department Bulletins

"Tillers of the Soil in Argentina Eager for Bulletins Issued by United States Department of Agriculture" is the sub-title of an article in The Washington Star for March 5, which says in part: "Since his assignment to the United States, Ambassador Le Breton has taken a deep interest in the work of the Department of Agriculture and, in addition to his duties as representative of one of the most progressive of the South American republics, he has originated and developed a program for promoting agricultural knowledge in Argentina that is already bearing fruitful results. ... The United States Department of Agriculture has done a wonderful work of helpfulness to the American farmer in its preparation of exhaustive bulletins on almost every conceivable subject which touches on farming. Ambassador Le Breton recognized the value of these publications, and their translation into Spanish, with modifications here and there for use by Argentine farmers, has been undertaken on a large scale by the Embassy staff. Hundreds of bulletins, on many different subjects, have been prepared at the Embassy and shipped to Argentina for distribution by the Government."

Cooperative Marketing Bill

"Even now some see grave possibilities for the country in this bill aimed to allow the producer to work out a way that he may get a larger part of the consumer's dollar. However, many of those whom we would expect to be alarmed seem satisfied the country will suffer no harm on account of the bill. It is all right, they say, to let the farmer effect economies in his marketing methods. He can not control prices of his products anyway, as they are controlled by the world market; the country is safe as long as that condition exists and we are able to keep control of the prices of our manufactured goods." (Pennsylvania Farmer, Mar. 4.)

Tobacco Marketing

Organization of a cooperative marketing association to handle the sale of tobacco grown in the "Black Belt" of western Kentucky, Indiana and Tennessee was authorized at a meeting of growers and business men March 4 with the organizers of the Burley Cooperative Association now in active operation. The delegates authorized the appointment of an Executive Committee and an Organizing Committee and urged that the work be done by the time the 1922 crop is ready for the market. Between 250,000,000 and 275,000,000 pounds of tobacco are grown in the belt, it is said. (Louisville, Ky., dispatch to press, Mar.6.)

Weeks Law Threatened

"Public interests are seriously threatened by failure of the Bureau of the Budget to make adequate provision for the operation of the Weeks Law after June 30 of this year. Since 1911 the Government has been gradually acquiring land under this law because Congress has recognized the importance of the work and has made available the moderate appropriations necessary to carry out the original plan. This plan contemplates the ultimate acquirement of five million acres of forest lands on the watersheds of important eastern rivers. There has not been a single break in the continuity of the work. During the present fiscal year, which ends June 30, 1922, the appropriation was $1,000,000. Now comes the Bureau of the Budget with its appropriation estimates for the Department of Agriculture for the next fiscal year, and it reduces the item for the acquisition of lands under the Weeks Act to a paltry $50,000. If the item stands, it means practically the complete suspension or postponement of forest land purchases in the

East, and this just at a time when the Government can buy land most advantageously. ... Coming at this particular time, the action of the Bureau of the Budget, if concurred in by Congress, will do more than stop the acquisition of additional land. It will deprive the Government of an unusual opportunity to obtain some very desirable tracts at exceedingly favorable prices. The present economic situation makes now available forest lands at prices probably lower than at any time since the passage of the act, because of the need or desire of many owners to convert their cut-over lands into cash." (American Forestry, March, 1922.)

Section 3.

Department of Agriculture

1. "When Saving is Waste" is the title of an editorial in the Chicago Post for February 27, which says in part: "When one looks into the Department of Agriculture it is found out that much of the interest of the farmers of the country is directed to the labors of the Biological Survey. It is the duty of the survey to make war on the pests which attack the live stock and the crops and to do what it can to save from persecution the beneficent mammals and birds. Some three or four years ago Congress cut the appropriation for the survey, and the predatory animals in the West increased in large numbers, and there was a corresponding increase in the loss of cattle who fell victims to wolves and mountain lions. Quickly the stock growers appealed to Congress, and the next year more money was appropriated to enable the survey to continue its saving work. It is feared that this year the appropriation for this bureau is to be cut again in the interest of so-called economy. It is a queer kind of economy which can be served by cutting down an appropriation when the decrease will mean a loss to the agricultural interests of many times the amount 'saved!' It has been estimated that the Biological Survey saved some millions of dollars to the country years ago, when after experiment it found out a way to save the drainage and irrigation ditches of the West from damage by burrowing animals. At another time, the survey saved the alfalfa crop on hundreds of fields in a Western State from a plague of field mice. This work cost about $10,000, and the saving accomplished was fixed at ten times that sum. ..."

2. An editorial in American Forestry for March says: "A steady barrage of resolutions opposing the proposed transfer of the National Forests in the United States and in Alaska from the Department of Agriculture to the Department of the Interior has had its effect in preventing any further advance of this measure in Congress. Senators and Representatives from all sections of the country have received these resolutions from civic and other organizations as well as protests from individuals. Both resolutions and protests have been vigorous and of the character which compel attention. Apparently those who support the measure have been surprised by the rapidly spreading and wide-spread opposition to it, while those who oppose it have been cheered, not only by the protests, but also by the statement of President Harding in his speech before the National Agricultural Congress, in which he emphasized the close relationship between forestry and agriculture. This relationship is one of the best arguments in favor of allowing the National Forests to remain under the jurisdiction of the Department of Agriculture. The forcefulness of the resolutions is

noticeable. The Pennsylvania State Forest Commission declares the proposed transfer to be 'unnecessary, unjustified and dangerous to the cause of forestry in Pennsylvania and the Nation,' and adds that 'it would ruin the Forest Service.' The Penobscot (Me.) Forestry Club says 'it would be contrary to the public interests.' The Ashevil (N.C.) Chamber of Commerce declares that as the forest is a product of the soil 'the extraordinary progress made in the protection of our forests would be immensely retarded and the whole forestry program set backward, we believe, by changing the administration of forestry affairs from the Department of Agriculture to the Department of the Interior.' ... The California Forest Protective Association, composed of timberland owners, voices its protest in no uncertain words by saying 'such transfer would not be effective as to economy or unity of organization, and would very probably result in destructive changes in the work of the Forest Service and the administration of the National Forests.' These quoted are only a few of the expressions of opinion from influential organizations, but they express the character of all of the protests which have been made and those which are to be made -- protests which Congress can not possibly ignore -- and which will undoubtedly make a decided impression upon the representatives of the people."

3. The Washington Post to-day says: "The public lands of the United States should be under the full control either of the Department of the Interior or of the Department of Agriculture, and not under both, as at present, Secretary Fall said yesterday, discussing the controversy bringing about the question of jurisdiction over the Forest Service. Bills are now pending in Congress for the transfer of forest reserves, especially in Alaska, now controlled through the Forest Service by the Department of Agriculture, to the Interior Department because of the oil and mineral deposits in the reserves. This legislation has led to considerable controversy. Secretary Fall, in making his position clear on the question, attached what he termed the 'propaganda campaign' of the American Forestry Association against his policy with regard to forest reserves on the public domain in Alaska. Secretary Fall said he did not want it understood that he opposed the forestry policy of the Forest Service."

The New York Times to-day carries the above statement and says, further: "The Secretary added that he did not charge that the Forest Service was cutting timber for the purpose of selling it to China and Japan, but that this was the ultimate disposition of a great deal of timber which had been cut for commercial purposes in this country. The Interior Department, Secretary Fall said, had, under the law, jurisdiction over all public lands of the United States with the exception of the forests on such lands, and had control even over forest lands with respect to everything except the timber.

"In a letter written to the Chairman of one of the principal committees of the House of Representatives (the name was withheld), Secretary Fall disclosed that recently, when out of the city, he had given telegraphic permission to his assistant secretary, at the latter's urging, to bring to the attention of President Harding the 'impropriety' of the activities of the Forest Service and of Gifford Pinchot, of the American Forestry Association, in making a 'vicious and unwarranted attack upon the head of a coordinate department of the Government.' ... " (Cont'd on p. 6.)

The Washington Herald to-day says: "The farm bloc in Congress will oppose the bill drafted by Secretary Fall providing for the transfer of the Forest Service from the Department of Agriculture to the Department of the Interior, leaders of the bloc indicated yesterday."

Section 4.

MARKET QUOTATIONS.

Farm Products

Mar. 6: Grain market unsettled and prices lower early but closed strong on good export demand and bullish cash wheat news. Chicago May wheat higher at $1.43 5/8; Chicago May corn higher at 64 1/4¢/ Closing prices in Chicago cash market: No. 2 red winter wheat $1.41; No. 2 hard winter wheat $1.38; No. 2 mixed corn 58¢; No. 3 white oats 33¢. Average farm prices: No. 2 mixed corn in Central Iowa about 46¢; No. 1 dark northern wheat in Central North Dakota $1.32 1/2; No. 2 hard winter wheat in Central Kansas $1.20.

Chicago hog prices down 10 to 20¢, bulk of sales $10.85 to $11.15. Beef steers strong, medium and good grades $7.40 to $9.25. Fat cows and heifers higher at $4.25 to $8.40. Fat lambs up 50¢ at $13.75 to $16.50.

Chicago potato market slightly weaker; other markets nearly steady. New York sacked Round Whites steady f.o.b. at $1.83 per 100 lbs. Maine Green Mountains in bulk, steady f.o.b. at $1.36 to $1.41. New York Baldwin apples A 2 1/2 firm at $7 to $7.50 per bbl. Massachusetts Yellow Globe onions firm at $8.25 per 100 lbs. sacked.

Hay movement light because of bad condition of country roads. Receipts light, especially of good quality Timothy. Eastern and Southern markets steady. Feed markets inactive. Linseed and cottonseed meal in fairly good demand.

Butter markets steady in East; weak at Chicago. Cheese markets steady; trading active.

Spot cotton up 12 points closing at 17.26¢ per lb. New York March futures up 21 points at 18.21¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Mar. 6: Average closing price 20 industrials 86.30 as compared with 75.26 corresponding day 1921; average closing price 20 railroad stocks 77.21, as compared with 72.87. (Wall St. Jour., Mar. 7.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 55. Section 1. March 8, 1922.

Soldiers' Bonus Measure

The compromise soldiers' bonus bill, carrying a bank loan provision in place of the cash installment payment plan originally proposed and once appoved by the House, finally was agreed to yesterday by Republican members of the Ways and Means Committee. It was introduced later in the House by Chairman Fordney, who announced that it would not be called up until next Monday, if then. At the White House it was said that Mr. Harding had not studied and consequently had not formed an opinion as to the bank loan provision. He was represented, however, as maintaining the same position that he did when he wrote Mr. Fordney on February 16 that the bonus either would be paid by a sales tax or the legislation postponed. (Assoc. Press, Mar. 8.)

Muscle Shoals

Chairman Kahn, of the House Military Affairs Committee, March 7, told W. B. Mayo, Chief of Engineers for Henry Ford, that it would require years to thresh out existing legal entanglements, and it was doubtful even then that the Government would be able to accept the Detroit manufacturer's proposed contract for purchase and lease of the nitrate and power projects at Muscle Shoals, Ala. The discussion of the legal difficulties the committee faced in considering the Muscle Shoals situation developed after Mr. Mayo and Gray Silver, Washington representative of the American Farm Bureau Federation, had presented three alterations which they said Mr. Ford had agreed to make in his original offer for the Shoals projects. The first alteration provided for a fixed capitalization of not less than $10,000,000 for the company Mr. Ford would create to operate the Alabama enterprise. Another amendment offered by Mr. Mayo was a guarantee to manufacture "commercial fertilizers" rather than nitrates and "other compounds," while the third change proposed to give authority to the company's directing board to regulate the delivery of the fertilizers direct from factory to consumer, making it impossible for intermediary agents to handle the products and increase the price to the farmers above the 8 per cent profit charged by the manufacturing company. (Press, Mar. 8.)

Muscle Shoals Trip Postponed

The Senate Committee on Agriculture and Forestry, March 7, agreed to postpone its inspection trip to Muscle Shoals until consideration of the arms conference treaties had been concluded. (Press, Mar. 8.)

Ocean Freight Rates

Ocean freight rates on provisions between New York and Europe have dropped 35 cents a hundred pounds since disruption last week of the North Atlantic conference. (Press, Mar. 8.)

Director Dawes to Explain Millions Saved

President Harding has directed Brig. Gen. Charles G. Dawes, Director, Bureau of the Budget, to prepare, for the information of Congress, a detailed report on the economy achievements that have been effected since the budget system was inaugurated. This report will be in reply to a House resolution, introduced last month by Representative Byrns of Tennessee, requesting the President if it was compatible with the public interest, to state how the direct saving of $32,000,000 and the indirect saving of $104,000,000 during the last six months had been accomplished. (N. Y. Times, Mar. 8.)

Planters Called in Cotton Inquiry

Chief Magistrate McAdoo, New York, who is conducting a "John Doe" inquiry into alleged irregular operations of cotton brokers, March 7 directed that cotton planters be summoned from the South to tell of their experiences. Arthur B. Marsh, a member of the board of governors of the New York Cotton Exchange, admitted on the stand that although Government statistics for 1920 showed a total crop of only 11,300,000 bales, the exchange in 1921 traded in more than 50,000,000 bales. He added that the New Orleans Cotton Exchange claimed to do as much business as the New York organization. (Assoc. Press, Mar. 8.)

Section 2.

Agricultural Financing

The War Finance Corporation announces that from March 2 to March 4, 1922, inclusive, it approved 186 advances, aggregating $4,802,000, for agricultural and live-stock purposes in 22 States. During the week ending March 4, 1922, the corporation approved a total of 372 advances, aggregating $9,620,000, for agricultural and live-stock purposes. (W. F. C. Press Statement, Mar. 6.)

Agricultural Situation

1. "David R. Forgan, president of the National City Bank of Chicago, believes the situation in the interior is now more hopeful and that the plight of certain hard-pressed agricultural communities that caused difficulty with the country banks is now well nigh past. 'The farmer has benefited through the various advances from funds and from public and private pools, and now the advance in grain and other farm produce has given them assistance of the more material character,' he said. 'In the light of what has happened, it is evident that he has been greatly aided by the War Finance Corporation, which has been of assistance in increasing the volume of credit available to borrowers engaged in agricultural pursuits and especially those who have been in the habit of marketing a portion of their produce abroad. More than 55 per cent of the country's wealth is produced from the ground and fully that much of the national purchasing power is contributed by the farming classes and those directly related to them.' " (Commercial West, Mar. 4.)

In the view of James B. McDougal, governor of the Chicago Federal Reserve Bank, business is improving and better times lie ahead. "Increased prices for grain and live stock have brought encouragement to farmers and some liquidation in agricultural sections," he said.

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Agricultural Situation

2. "Reports from the Middle West are to the effect -- or at least in several instances they are -- that conditions among the farmers in the grain-growing sections are considerably improved by reason of the recent rise in prices of grain and in some instances of live stock. At least one dispatch has it that bankers are of the opinion that normal conditions are to be expected by the end of this year, and that losses incurred in 1920 and 1921 will be recouped in 1923. ... There is, however, another difficulty under which many farmers have been laboring ever since the depression set in -- if indeed not prior to that time -- and it is one which is not to be obviated by any advance in prices at all likely to occur. During the war and also during the post-armistice boom period speculation was rife in farm lands. Many of the farms now operated were acquired at prices well above their intrinsic worth. To make matters worse these lands are carried on very large mortgages, as recent census figures amply show. In a great many cases the purchase price will have to be written down and mortgages reduced before it is possible for these farms to be operated upon a paying basis even with a greatly improved price situation. Here is a situation and a need for financial readjustment which do not arise out of 'deflation' and which, while unfortunate enough, will have to be paid for by those who were so unwise as to invest their funds in this way. Better markets for farm products will, of course, help, but there is a good deal to be done before the landholders are once more in a sound position." (Jour. of Commerce, Mar.7

3. With grain and live-stock prices holding their own and showing a tendency to advance further, the farmer is decidedly on the upgrade Predictions are being made by bankers that this branch of industry will be back to normal at the end of this year, and that a large portion of 1920 and 1921 losses will be recovered in 1923. (Jour. of Commerce, Mar. 6.)

The Financial Age for March 4 says: "Continued rise in grain prices with higher quotations for various farm products has led to better sentiment in Western States which is being reflected in larger orders from merchants who serve that territory. This change has been helpful, too, in causing western investors to send in large orders for high-grade securities of the investment type. These influences have had an indirect effect upon business here and it looks now as if there would be a revival in many lines within the next few weeks. All this improvement has had a helpful influence upon Wall Street and the feeling is that the country has turned the corner and that better times are in store for the people."

Agriculture and the Government

The Commercial and Financial Chronicle for March 4 says: "From widely separated portions of the address of Mr. Eugene Meyer, Jr., Managing Director, War Finance Corporation, before the Agricultural Conference at Washington on January 24, we take three sentences: 1. 'Before the beginning of the world war, our production of agricultural commodities had been adjusted and brought into balance with the needs of the consuming markets at home and abroad.' 2. "Our agriculture must of necessity adjust itself to the conditions that now exist in the world's markets -- a diminished foreign consumption of at least some important products of the soil and renewed competition from other producing countries.' 3. "The agricultural interest is not a sectional or a class interest. It constitutes the economic

foundation of the country. Directly or indirectly, the interests of agriculture are the interests of all the people."

"Now, if these statements be true, and they are so clearly true we can imagine no one denying them, then there must be a huge self-deception in the attitude of the agricultural industry toward its own relief and restoration through the powers of Government. For, manifestly, the National Government, prior to 1914, had nothing whatever to do with the bringing about of an adjustment of agricultural commodities to the 'needs of the consuming markets at home and abroad.' It has no control over the markets at home or abroad in normal times. And only by combination of buying powers between this and other countries during the war did it have any influence whatever over these markets. We may say it had little power over consumption abroad even during the war. By arbitrary 'do without' days induced by appeals to patriotism during the struggle it exercised some slight control for a short time, as also by appeals to enlarged production. Upon monetary results of the industry, there was more accomplished by a dictatorial fixing of price for sales of wheat -- a policy soon protested by the farmers, and one that no doubt worked favorably for consuming countries in preventing agriculture from exacting the sordid profits it might otherwise have been able to impose.

"But whatever this war control might have been at the time, it is in direct contrast with control before the war and control now. And therefore the question must be answered, if Government brought about no adjustment to foreign and domestic markets before the war, what adjustment can it bring about at this time -- in the after-the war period? If the only adjustment possible before the war was a natural one, what possible other adjustment can obtain now? If the power of this Government could not control foreign markets, how can that inevitable and fundamental condition now reasserting itself on the cessation of war be changed by credits or by cooperative marketing? We do not say temporary benefits may not to some extent accrue to the farmer by these agencies, nor even that under proper restrictions they may not be ostensibly provided for now by governmental action, but it must be apparent that they are not justification for a concerted movement predatory in its nature upon legislation intended to be general and permanent."

Cotton

An editorial on "Cotton Statistics" in The Wall Street Journal for March 7 says: "A southern subscriber, the cashier of a bank, asks The Wall Street Journal for information on the probable supply of American cotton. Statistics will be given from which any reader may draw his own conclusions. The world must turn to the United States in 1922 and 1923 for the bulk of its cotton. The Bureau of the Census shows that in 1921 the entire world production was only 15,539,000 bales, while in that crop year the consumption was 16,539,000. The probable consumption of American cotton this current season will be around 12,500,000 bales. It may even be more than that. ... The world will need 12,500,000 or 13,000,000 bales in the year between October, 1922, and October, 1923. Production for six years has been small, although area has run from 32,000,000 to 37,000,000 acres. Last year the yield was 126.9 pounds to the acre. At this rate an area of 50,000,000 acres would be necessary to supply the world's consumptive requirements, without saying anything about a reserve

supply. But the South can not plant and cultivate that area. About 37,000,000 acres has been the limit, and this year it will not be able or willing to fertilize that area. Sales of fertilizer already are below last year. ... If the weevils are as abundant as last year there is no chance for a greater average yield per acre for the whole belt. And unless there is a much larger yield on a large acreage, the supply of cotton will fall below demand."

Crop Insurance

"A Method of Insuring Crops" is the title of an article by H. A. Wallace, in Wallaces' Farmer for March 3, which presents a plan for furnishing protection against crop risks at a minimum of costs. The author says: "The purpose of this article is to describe as simply as possible a practical method of crop insurance, which could be put into effect with the minimum of administration expense. The fundamental principle involved in the scheme which is here suggested is that the man who has insured his crop is not entitled to compensation for crop damage unless his crop has been damaged more seriously than the crop of the country at large. Experience has demonstrated that in years of short crops, the price per bushel has advanced sufficiently to give a greater return to the average farmer than in the years of large crops. In years of such crop damage, however, there are some farmers who sustain almost a total loss, and who, having nothing to sell, are unable to benefit from the advance in the price per bushel. These men who suffer a greater amount of crop damage than the average are entitled to compensation. In years of large crops, those men whose crops are increased less above the normal than the average man, are entitled to compensation. The most injust situation of all is when a man harvests a rather small crop, whereas people generally are harvesting large crops. Such a man suffers not only from crop damage himself, but also from the low price which results from large crops. ... All insurance is a form of socialism, designed for the purpose of spreading the risks of the individual over society as a whole, so that it may be made possible for deserving individuals to avoid any chance of being seriously crippled by any unusual accident that might occur. We believe that the scheme which we have suggested in this article can be modified in such a way as to be of very real help in spreading the risks of weather, the risk of insects and the risk of disease over large numbers of farmers in a more equitable manner. As to whether or not we are yet ready to adopt such a socialistic development as this crop insurance plan remains to be seen. Is the need sufficiently acute?"

Freight Rates on Food

A series of rate reductions, ranging as high as 50 per cent on some items, was announced by the Southern Pacific Company at San Francisco, March 5, for the territory between Chicago and the Pacific Coast for a group of foodstuffs and other commodities, including eggs and shelled nuts. (Press, Mar. 7.)

Genoa Conference April 10

The Italian Government has notified the Governments invited to the Genoa conference, including the United States, that the date of April 10 has been fixed for the opening of the conference. (Press, Mar. 7.)

Section 3.

Department of Agriculture

The press of to-day quotes Col. W. B. Greeley, Forester, as saying, in response to questions upon the subject: "The idea that the Forest Service is conducting a propaganda against the Secretary of the Interior is absurd."

The Washington Herald to-day says: "Delegate Dan Sutherland, of Alaska, in an interview, March 7, defended the present administration of the Forest Service in Alaska. ... 'I don't think the service could be improved,' he said."

Section 4.

MARKET QUOTATIONS.

Farm Products

Mar. 7: Grain prices rallied from early break on selling influenced by weakness in Liverpool and Buenos Aires but reacted at close. Good flour sales reported at Minneapolis. Closing prices Chicago cash market: No. 2 red winter wheat $1.39; No. 2 hard winter wheat $1.37; No. 2 mixed corn 59¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in Central Iowa 45 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.34 3/4; No. 2 hard winter wheat in Central Kansas $1.20.

Chicago hog prices up 5¢, bulk of sales $10.85 to $11.20. All classes of beef steers steady, medium and good beef steers $7.50 to $9.25, butcher cows and heifers $4.25 to $8.40. Fat lambs down 25¢ at $13.50 to $16.

Chicago potato market slightly stronger, other markets steady. New York sacked Round Whites weak f.o.b. at $1.81 to $1.88 per 100 lbs. Maine Green Mountains steady at $1.31 to $1.41 per 100 lbs. bulk. New Jersey yellow sweet potatoes in New York $2 to $2.25 per bushel hamper. Delaware and Maryland stock $1.75 to $2 in Boston, $1.75 to $2 in Pittsburgh, and $1.75 in Philadelphia. New York Baldwin apples A 2 1/2 up 25¢ f.o.b. Western New York points at $7.50 per bbl.

Spot cotton unchanged at 17.26 per lb. New York March futures down 5 points at 18.16¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Mar. 7: Average closing price 20 industrials 86.90, as compared with 74.91 corresponding day 1921; average closing price 20 railroad stocks 77.87, as compared with 72.54. (Wall St. Jour., Mar. 8.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 56. Section 1. March 9, 1922.

President Harding Sees Agricultural Prosperity Near

Declaration that "we are making splendid progress toward dissipation of our agricultural difficulties" is made by President Harding in a letter to Eugene V. Meyer, jr., Managing Director of the War Finance Corporation, made public yesterday at the White House. The President in his letter, which was in reply to one from Director Meyer, detailing the work of the War Finance Corporation, said "cheering" evidence had been presented to show that "we are moving fast toward establishing that necessary balance" between the selling price of the producer and the cost of the consumer. "I think we all recognize," the President added, "that when stability, prosperity and confidence shall have been restored to agriculture, the country will have progressed far on the way to general resumption of prosperous activity." Approval was given by Mr. Harding through the letter to a plan that Mr. Meyer make a trip through the agricultural section of the country, surveying the situation as he did last fall during a trip that took him to the Pacific coast and through the South. The Executive informed Mr. Meyer that he desired him to study especially during the proposed trip dealings of the War Finance Corporation with various cooperative marketing associations, creation of facilities for the organization of which the President has recommended to Congress.

The letter says, further: "Your statement concerning the improved conditions of the market for agricultural commodities and the advanced prices confirms the information I have received from the Department of Agriculture and other sources -- corn at 50 cents at primary markets, as against 20 cents five or six months ago; wheat at about $1.40, as against approximately $1; fat lambs at $15.55 per hundred, as against $8.05, with the cattle, hogs and other products of the farm showing similar improvements. ... " (Assoc. Press, Mar. 9.)

The Attorney General Issues Opinion on Retirement Act

Approximately 20 per cent of the Government employees in the classified civil service are barred from pension benefits of the Retirement Act, under an opinion by Attorney General Daugherty, transmitted to Secretary of the Interior Fall, who administers the act. Secretary Fall estimated March 8 that 80,000 employees were affected and that out of 8,000 who had retired under the act, four-fifths, or 6,400 employees, have been drawing their pension illegally under the opinion. The Attorney General ruled, according to a review of the opinion submitted Secretary Fall by the solicitor of the Interior Department, that only those employees who held their positions as the result of competitive examinations were entitled to the benefits of the Retirement Act. (Press, Mar. 9.)

U.S. Declines to Participate at Genoa

United States Government, March 8, formally declined to participate in conference to convene at Genoa April 10. (Press Mar. 9.)

Section 2.

Agricultural Price Movement

"At no time in the momentous price movements in the United States during the last eight years has there been a phase of greater interest and significance than that which has transpired in the last thirty days. To some it forecasts the real turn from depression to prosperity. To others, however, it spells the creation of an ominous price situation that will make impossible, while it lasts, the reconstruction of the Nation's foreign trade and will, therefore, result, at best, in retarding the return of prosperity and, at worst, in a secondary era of business depression in this country. Whichever view is right, the question of prices is yet far from being worn threadbare by discussion. The movement alluded to has been a distinct upward swing in several agricultural products that figure particularly heavily in the international markets. ... These upward bounding prices were in marked contrast with those of other basic commodities, particularly the metals, which displayed a conspicuous stability in this period, slight declines being recorded in some cases, and there being no material advances. These price movements have, of course, brought great cheer to the agricultural communities and to many of those manufacturing and distributive lines whose business activity depends upon the willingness and ability of the farmer to buy. ... It is undoubtedly true on the one hand that a rise in agricultural prices will bring the farmer's buying power more quickly back into line with retail prices in the domestic market. But, on the other hand, such a rise may, by the same token, tend to throw our crop prices out of line with the purchasing power of the rest of the world. This upward movement may, in other words, interrupt the working back of wheat, corn and other agricultural prices into equilibrium with Europe's buying power, and thus impair the ability of Europe to absorb the surpluses of America's agricultural productivity. Also, if the rise in agricultural prices results in a stimulation of farmer purchasing, it will tend to stop the fall of non-agricultural prices, halting the reconstruction of the Nation's foreign trade in lines other than agricultural, because of Europe's inability to pay the high prices that would be thus maintained." (The Annalist, Mar.6)

Agricultural Price Results

"One of the most interesting -- and, we may add, one of the most profitable -- effects of the distressing situation in which the farmers of the country have found themselves during the past year and a half by reason of the disproportionate deflation of the prices of their products, is that public attention has been directed as never before to the actualities of the compensation received by the farmers for their productive labors, in comparison with the compensation obtained by the industrial and urban part of the population for its contribution to the national production. It is at first sight a somewhat curious fact that the immediate cause of this sudden concern with the relative economic position of the farmers was not the raising of any question of theoretic social equity with respect to the basis upon which the agricultural producers regularly exchange the fruits of their toil with those of the industrial or urban producers, but rather the disconcerting discovery that when this basis of exchange is too unfavorable to the farmers the necessary result is that they reduce their consumption of industrial and urban products and services to such an extent that factories must be put on part time

or closed down in every direction, all manner of transportation and other industrial and urban services must severely curtail their operations, great numbers of industrial and urban workers must lose their jobs and their means of livelihood, and, in general, economic depression with all its attendant discomforts and hardships must ultimately be experienced as completely by the dwellers in cities as it was at the outset by the farming class itself." (The Economic World, Mar. 4.)

Agricultural Situation

"Improved Farm Prospects Lead to Industrial Revival" is the title of an editorial in to-day's Washington Herald which says in part: "Many millions of dollars have been added to the purchasing power of the American farmer by the recent upturn of prices for farm products, and the radical improvement in prospects for the farm industry. This movement shows that the farmer is coming into his own again and that he is likely to make a very much better showing on the year's business than seemed possible a month or so ago. This does not lose sight of the losses sustained by many producers who liquidated a portion of their holdings before the recovery of prices set in, but it emphasizes the quick changes that are possible in a country of unparalleled resources and which, at the moment, holds a commanding position as the greatest creditor nation of the world. Inasmuch as the farmer and those engaged in closely related pursuits represent the heaviest group purchasing power in the country, about 40 per cent, it is obvious that higher prices for farm products will ultimately lead to increased business for implement manufacturers and general merchandise dealers. While it is true that the agricultural implement business is still below normal throughout the United States, there is every reason to believe that improvement will be seen during this year. Reports from various centers by Dun's Review reveal that manufacturers and distributors anticipate a general business revival in the spring. Many inquiries are already coming forward, especially on the Pacific Coast and in the corn and wheat belt of the Middle West. ... "

Farmers' Incomes

Referring to a report of the new National Bureau of Economic Research on the subject of farmers' incomes, The Economic World for March 4 says: "In connection with the last of these estimates we are impelled to warn our readers that the compilers of the report, for all their care, appear to have allowed an error of a serious kind to find a place in their computations. This error consists in the adoption of a figure which is far too small for the number of persons occupied in farming, among whom the total income derived from farm production is distributed. In the summary of the report -- and no doubt in the report itself -- appears the statement that 'the farmers, who represent about 6,450,000 or 16 per cent, of the gainfully employed, have received during the past decade a share in the National Income varying between 12.3 (per cent) in 1911 and 17.4 in 1917 and 1918 -- until 1920, when it dropped to 10.9.' Now, it was found by the Census of 1920 that on January 1 of that year there were in the United States 6,448,366 separate and distinct farms -- a figure that almost precisely corresponds with the 6,450,000 persons assumed by the compilers of the report to be 'gainfully employed' in farming. This correspondence of figures, however, is on its face impossible. In the first place, it is certain that the number of persons 'gainfully employed' in farming in the United States -- even if the phrase

'gainfully employed' be used in the narrow sense given it by the Bureau of the Census of persons obtaining direct money remuneration for their work -- greatly exceeds an average of one to the farm. The number of hired farm hands in the country is after all very large, though the Bureau of the Census has not informed us as yet precisely what the number is. Beyond this, however, it is a well known fact that a veritable army of women and children contribute to American farm production, and so to the sum-total of farm income, though they receive no stipulated wages and consequently are not enumerated by the Census Bureau among the 'gainfully occupied' or 'gainfully employed.' "

Hog Marketing

An editorial on "American vs. Danish Bacon," in Wallaces' Farmer for March 3 says: "Before the war, American bacon sold on the British market for about 85 per cent as much as Danish bacon, whereas during the past winter, it has been selling for only about 65 per cent as much. The English are keener in their demand for a mild-cured bacon now than ever before, and it has taken the American packers a year or so to wake up to the changed situation. It is, of course, a matter of prime importance to American farmers to have American bacon again selling on the British market for 80 to 90 per cent as much as Danish bacon. An expert in the British pork trade writes us that the most important factors in the shipping of mild-cured bacon to England are refrigeration and speed. The ordinary ocean freight, without refrigeration, is 75 cents per hundred pounds, and with refrigeration $1.50 per hundred. This extra 75 cents charge is possibly a little too high, but it would not be so bad if the supply of refrigeration space were uniform and could be relied upon. It seems that the British and other foreign steamship lines control practically all of the refrigeration space, and that the foreign control of this space adds considerably to the difficulty of transporting mild-cured bacon in cold storage from the United States to England on a satisfactory basis. It would seem to be a matter of first importance to work out this problem of refrigeration space for transporting mild-cured American bacon from Chicago to England."

In a second editorial, the same journal says: "Because of the tremendous corn surplus at the present time, and because of the unusually favorable ratio prevailing between corn prices and hog prices, the corn belt is now rushing into hogs at a more headlong pace than ever before. This is a great mistake. European demand for pork product, which was last year 60 per cent above the prewar, and which during 1918, 1919 and 1920 averaged nearly twice the prewar, will soon be returning to normal. The one thing which we can hope to accomplish by producing both corn and hogs to the absolute limit is that we shall in this way ruin the British, Irish, Danish, Dutch and German hog producers, except so far as they produce fresh pork. If this is our object, let's prepare to do a thorough job of it, seeing that the U.S. Shipping Board furnishes an abundance of cold storage space so that we can ship mild-cured hog products in the best of condition to the British market. Let us study the Irish and Danish methods of doing business and devise labels which will stand in the eyes of the British consumer as certifying to the quality of American pork product. With the huge over-production of pork product which we are almost certain to have, the price will be so low that we can undersell the European hog producers and put the less efficient of them out of business. ..."

Section 3.

Department of Agriculture

In an article on the Forest Service and the Department of the Interior, The Washington Herald to-day says: "Denials that the Forest Service is in any way connected with its activities were issued yesterday by the American Forestry Magazine, which published an article written by Col. Greeley, and referred to by Secretary Fall as the source of the alleged propaganda. 'It will be of interest to know,' said Charles L. Pack, president of the American Forestry Association, which publishes the magazine, 'that the article by Col. Greeley, to which Secretary Fall takes exception as "vicious propaganda" against him, was written before President Harding announced the make-up of his Cabinet.' "

Section 4.

MARKET QUOTATIONS.

Farm Products

Mar. 8: Grain prices lower early but rallied and closed fractionally higher. Chicago May wheat higher at $1.42; Chicago May corn higher at 64¢. Export demand generally slow. Closing prices in Chicago cash market: No. 2 red winter wheat $1.39; No. 2 hard winter wheat $1.37; No. 2 mixed corn 59¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in Central Iowa about 48¢; No. 1 dark northern wheat in Central North Dakota $1.33 1/2; No. 2 hard winter wheat in Central Kansas $1.20.

Chicago hog prices higher, bulk of sales $10.85 to $11.25. Beef steers strong, medium and good beef grades $7.50 to $9.50. Butcher cows and heifers up 15 to 25¢ at $4.40 to $8.50. Fat lambs steady at $13.50 to $16.

Chicago potato market down 15¢; other markets show weaker tone. New York sacked Round Whites weaker f.o.b. at $1.81 per 100 lbs. Maine Green Mountains in bulk firm f.o.b. at $1.36 to $1.41. New York Baldwin apples A 2 1/2 steady f.o.b. shipping points at $7.50 per bbl.; $7.50 to $7.75 in Baltimore. Florida Wakefield cabbage weaker in Eastern markets at 75¢ to $1.15 per 1 1/2 bushel hamper.

Hay market firm account light receipts. Bad roads curtailing movement. Timothy up about $1 per ton. Feed demand quiet, particularly in East. Wheatfeed offerings by mills light, but at slightly lower prices.

Butter markets steady and fairly well in line with each other. Cheese markets steady; trading active.

Spot cotton up 25 points closing at 17.41¢ per lb. New York March futures up 25 points at 18.41¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Mar. 8: Average closing price 20 industrials 86.73, as compared with 74.60 corresponding day 1921; average closing price 20 railroad stocks 77.99, as compared with 71.61. (Wall St. Jour., Mar. 9.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 57. Section 1. March 10, 1922.

Free Seed Legislation

The House March 9 resumed consideration of the Agricultural Appropriation bill, inserting an amendment appropriating $360,000 to enable members to distribute free seeds. (Press, Mar. 10.)

Retirement Relief Bill

A bill designed to relieve the thousands of Federal civil service employees who entered by executive order instead of competitive examination, and who, under an opinion by the Attorney General are not entitled to retirement benefits, was introduced yesterday by Senator Sterling, and in the House, by Chairman Lehlbach, of the Reform in Civil Service Committee. It has been shown that there are 80,000 such employees on the rolls and that 6,400 actually have been receiving retirement annuities, all of which have been stopped until Congress remedies the situation. (Press, Mar. 10.)

Soldier Bonus Bill

The Associated Press to-day says: "While the announcement yesterday by Comptroller of the Currency Crissinger that if the revised soldier bonus bill was passed he would advise national banks not to accept adjusted compensation certificates as security for loans to former service men, created a stir among members of Congress, leaders regarded it as unlikely that his stand would swerve a majority of the Ways and Means Committee members from their determination to report the measure to the House. Mr. Crissinger described the proposed plan of issuing adjusted service certificates for use by the soldiers, if desired, as collateral for loans to 80 per cent of their face value, as 'the worst kind of frozen credit,' and declared while he would be without authority to order national banks to refuse to accept them as security, he would strongly advise against their acceptance."

Departmental Housing Legislation

Representative Mead, of New York, March 9, introduced a resolution calling for an investigation looking to the purchase of buildings to house the Government departments now occupying privately-owned buildings which, the resolution asserts, are unsafe. (Press, Mar. 10.)

Agricultural Financing

The War Finance Corporation announces that from March 6, to March 8, 1922, inclusive, it approved 142 advances, aggregating $2,923,000, for agricultural and live-stock purposes. (W. F. C. press statement, Mar. 10.)

Cooperative Marketing Law "The Cooperative Marketing Law, which has been signed by the President, is class legislation in the sense that it authorizes farmers to combine into trusts; but nowhere in the law is there authority for the combination to monopolize or restrain trade, or to enhance prices unduly. Although the Secretary of Agriculture is directed to file formal complaint against any farmers' organization unduly enhancing prices the law does not reserve to him exclusively the power of attacking a farmers' organization that is restraining trade. There is nothing in the new law to prevent the Department of Justice from proceeding to indict a farmers' combination for unduly enhancing the price of products. Having combined, the farmers may agree on a price, but it must be a fair price. Lumber, cement, steel and oil companies are not permitted by the anti-trust act to combine for the purpose of selling, even if they fix a fair price. The fact that they have combined makes them guilty. The farmers' guilt does not commence until the price set by them is unduly enhanced. Whether prices have been unduly enhanced is a question of fact to go before a jury, and before a jury of consumers of farm products the farmers would be in an unenviable position. If such legislation substituting the effects of combination for the combination itself as the criterion of crime proves workable it would seem fair to grant other industries and trades and merchants the similar privilege of being judged by their fruits." (Grain Dealers Jour., Feb. 25.)

American Miller for March 1 says: "According to this new piece of agrarian legislation, the farmers can proceed to bring about restraint of trade, indulge in unfair practices and erect a monopoly, so far as the law and the Federal Government are concerned. The sole modification of absolute control is a curious provision, leaving to the Secretary of Agriculture the decision whether the marketing groups are developing monopolistic control of certain products. As the Secretary of Agriculture is always the farmers' political representative, this handing over of the functions of the Attorney General to the Secretary of Agriculture looks decidedly ironical. Of course, the whole purpose of the Capper-Volstead bill was to legalize price fixing by farmers. Nobody questioned the constitutional right of farmers to market their grain cooperatively. So far as the public is concerned, it was pushed through on false pretenses. The leaders knew mighty well that cooperative marketing will not do anything but change the intermediate agencies. This change will not save the farmer a penny. The right to fix prices is what the farm leaders really wanted and have secured; the right to do with impunity what brings a fine or jail sentence to other men."

Upon the same subject, The National Stockman and Farmer for March 4 says: "Some folks appear to be much afraid that the new cooperative marketing law will permit producers to control prices of staple commodities. It is not likely to do anything of the sort. In fact nobody can control these prices, law or no law, and any measure that permits even an attempt to do so will not stand very long. Those who try to fix and maintain artificial prices on farm products will 'attempt an ingenuity they can't establish', in the language of a defeated candidate of long ago. The marketing law is likely to prove neither so dangerous as some fear nor so helpful as others hope."

Food Prices Retail food prices declined slightly in February and are still about 47 per cent higher than in 1917. In its monthly survey of fifteen cities, the Bureau of Labor Statistics of the Department of Labor reports decreases in seven, increases in seven, and no change in one. Kansas City showed a decrease of 4 per cent, the greatest for the month. Minneapolis and St. Paul increased 2 per cent. Detroit increased less than five-tenths of 1 per cent. In Fall River prices remained the same. (Press, Mar. 10.)

Section 2.

Commodity Price Gain

Continued strength in most farm products and their derivatives but especially in foods, and in textiles and vegetable oils, more than offsetting weakness in hides and leather, metals and miscellaneous products, is the reason assignable for the further slight gain shown in Bradstreet's Index Number of Commodity Prices as of March 1, the eighth gain shown in nine months in the general price level since prices began to be stabilized early last June after the precipitate decline of 1920 and the first half of 1921. (Phila. Ledger, Mar. 8.)

Economic Laws

"Some Economic Hallucinations" is the title of an address by Theo. H. Price, appearing in Commerce and Finance for March 8, which asserts three economic hallucinations are largely responsible for business depression. They are: 1. The belief that a period of prosperity must be followed by a period of depression. 2. The belief that the world is poorer as a result of the war. 3. The belief that we must export more than we import to be prosperous. The author says in part: "The collection of the statistics upon a knowledge of which the discovery of economic law depends is as yet but poorly organized and the relation of psychology to prices and prosperity is an important field in which hardly a furrow has been turned. Therefore it is not surprising that many mistaken theories should have come to be accepted by business men, and with three of them that are largely responsible for the present world wide depression in business I propose to deal. The first is the 'cycle theory,' which assumes an alternation of business prosperity and prostration and insists that because we have been successful for a time we must for a period be unsuccessful. The idea seems to be that human affairs are rhythmic; that pain succeeds pleasure, that plenty is followed by famine, that wealth presupposes subsequent poverty. It runs all through literature and is almost prehistoric. Many books have been written in support of the theory and elaborate diagrams have been drawn to prove it. Most people have surrendered themselves to it so completely that they often bring about hard times by vociferously insisting that they are due, and the agonizing deflation through which we have recently passed was, I think, largely attributable to the fact that some highly placed personages who had the power to make their prophecies come true were obsessed with a belief in the cycle theory. ...

"In the United States we have more things and more productive power than before the war. The same thing is true of Germany, whose boast is that her manufacturing and agricultural equipment is intact and that prewar production can be resumed as soon as a market can be found for it. Except for the few houses destroyed by air raids England's physical property is unharmed and her productive power has probably been increased. France and Belgium are about the only countries in which there was any destruction of physical property or things and the value of the things destroyed is probably more than offset by the wealth elsewhere brought into being as a result of the war. In the United States, for instance, our merchant marine has been increased by ships that cost altogether three billion dollars and may now be worth one and a half or two billions. If an inventory of the world's things had been taken in June, 1914, and could be compared with a similar inventory taken to-day the comparison would, I am sure, show a very substantial increase in the world's wealth. ...

(Cont'd on page 4.)

"From the time that we became a nation until a few years ago we had always been in debt to Europe and for this reason we got in the habit of thinking that we must export more than we imported in order to be prosperous. ... But now that we have become a creditor rather than a debtor nation this is no longer true, but the old idea persists nevertheless and it is constantly asserted that we can not expect to prosper unless we continue to sell more than we buy. As during the last three months ending January 31, 1922, the value of our exports exceeded that of our imports by only 203 millions as compared with 1,254 millions during the same period a year ago, it is highly important that we should come to an intelligent understanding of the fact, as we may otherwise argue ourselves into believing that they connote a reduction in our foreign trade that is inconsistent with national prosperity."

Foreign Trade

The decline in the value of America's foreign trade in January, as compared with January, 1921, is further emphasized in statistics as to trade by continents and countries for the first month of the present year made public March 7 by the Department of Commerce. Exports to Europe totaled $148,939,246, compared with $325,218,637 in January a year ago, and $1,219,687,511 for the seven months ended last January, against $2,440,597,216 for the seven months ended in January, 1921. Imports from Europe for January last amounted to $68,-113,403, compared with $59,578,643 for January a year ago; and $457,-170,132 for the seven months ended in January last year, against $621,562,233 for the seven months ended in January, 1920. (Press, Mar. 8.)

Grain Reserves

An editorial in to-day's Wall Street Journal says: "An unwarranted amount of optimism is being generated through the report of farm reserves of grain taken in connection with an improved price for farm products. The report is favorable, but unduly to magnify it serves no good end; we are not in the business of blowing bubbles bound to break. An aggregate of the four leading cereals, corn, wheat, oats and barley, is 1,890,000,000 bushels. Compared with a ten-year average, this is favorable, but it does not look so good ranged beside the total of 2,530,000,000 bushels of last year. ... The increase in price since January would approximate $200,000,000 for these four cereals. Other farm products and live stock have also improved. On paper, the purchasing power of the farmers looks larger, but is it really so? If they had to buy these products the cost would of course be that much larger. But how much have they really gained? Farm prices went through a drastic deflation in 1920, and on March 1, 1921, they did not average 50 per cent of those ruling a year before. ... It is uneconomic, therefore, to compute the price increase on the reserves of grain and reckon the total as a gain in the farmers' purchasing power. Some of it perhaps may be counted as spending power, but the bulk merely goes to fill a big deficit which has not yet been made good. The most optimistic feature is in the outlook. The supply of grain is not large; world outlook is for an increased demand this season at better prices. The increased spending power of the farmers should make itself felt, principally after the next harvest."

Potash

A dispatch from Frankfort on the Main to The Journal of Commerce for March 9 says: "The Oberschlesische Kokswerke and the Kaligewerkschaft Burbach having combined for joint production of

mixed fertilizer are now negotiating with American phosphate producers for securing deliveries of phosphates in exchange for potash, according to statements made in well informed business circles here." Commenting upon this statement, The Journal of Commerce says: "Phosphate producers with offices in New York, when interviewed with regard to the proposed trading of phosphate for potash, denied any knowledge of the matter. The Phosphate Producers' Export Association, a combination of companies under the Webb-Pomerene law, stated that there had been rumors of some such negotiations for some time, but that as yet nothing definite had been done in the matter."

Rice Marketing

The American Rice Growers' Association of Louisiana sold 250,000 bags of rough rice in Louisiana and Texas last week. Of this 200,000 bags were sold in Louisiana at prices ranging from $3.75 to $4 per barrel for Nos. 1 and 2 Blue Rose. The price in Texas was $3.95 to $4.23 per barrel for Nos. 1 and 2 Blue Rose. This virtually cleans up the Texas crop, except in the Beaumont and Houston sections. Stocks in Louisiana are so low that the trade believes they will be wiped out entirely before next year's production. (New Orleans dispatch to press, Mar. 9.)

Russian Relief

An Associated Press dispatch from London to The New York Times March 8, states that The Russian Soviet authorities so far have failed to provide even half the number of cars promised for the transportation of American Relief Administration food supplies from the Black Sea port of Novorossisk and from Windau, on the Baltic Sea, to the famine-afflicted centers of the interior, according to reports received there by Walter Lyman Brown, European Director of the American organization. "Experience has shown that it takes two months for food to reach the ultimate consumers from the ports," Dr. Brown said. "Russia will be harvesting her own crops in August; so in order to be of the greatest good American supplies must reach the Russian ports by the end of May."

Reindeer Herd Arrives

Dr. Halsan Christiansen, of Skien, Norway, arrived in New York, March 9, with a herd of fifty female and ten male reindeer in charge of two nomad Lapps from Finmark Province. The shipment will form the nucleus of a herd in Michigan. The experiment is the first of its kind to be made in the United States for commercial purposes. (N.Y. Times, Mar. 10.)

Wool Marketing

1. An editorial in The Rural New Yorker for March 4 says: "The sheepmen finally won out with their wool pool. They put the wool together in a great bunch and held on -- at times when it seemed almost hopeless to do so. As a result they have obtained nearly twice what the local buyers were ready to pay. Naturally it cost something to do this work, yet when all expenses are paid the sheepmen will be ahead financially as a result of pooling. Not only that, but the experience gained by hanging together through this hard struggle will be worth far more than the gain in money. It has been an investment in courage and bulldog tenacity that will pay great dividends."

2. A St.Paul dispatch to the press of March 2 states that wool growers of that territory are told by pool organizers there will be little difficulty the coming season in financing pools on a satisfactory basis.

Section 3.

Department of Agriculture

An editorial on "Developing Alaska" in The New York Times today says in part: "There are other resources besides oil and minerals in Alaska; the production of the latter in 1920 was valued at $23,303,757. There is timber. Professor W. H. Chapmen of Yale, a forestry expert, estimates that there are 20,000,000 acres of virgi. spruce and hemlock in the Territory. W. B. Greeley, Chief of the Forest Service, says that the Alaska timber could provide 100,000,000 cords of pulp-wood. This wealth must be conserved. Secretary Fa urges that the Forestry Division of the Department of Agriculture be added to the Interior Department. Chief Forester Greeley dissents. Here is an issue that calls for sober thought. In fact, the development of the resources of Alaska will again be retarded unless wise counsels prevail."

Section 4.

MARKET QUOTATIONS.

Farm Products

Mar. 9: Government crop report regarded as bullish and wheat started higher but ran into heavy selling and prices broke. Chicago May wheat lower at $1.36 1/8; Chicago May corn lower at 61¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.33; No. 2 hard winter wheat $1.31; No. 2 mixed corn 56¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in Central Iowa about 43¢; No. 1 dark northernwheat in Central North Dakota $1.34 3/4; No. 2 hard winter wheat in Central Kansas $1.20.

Chicago hog prices steady to lower, bulk of sales $10.85 to $11.35. Strictly good and choice grades beef steers steady; medium and good beef steers $7.50 to $9.25; butcher cows and heifers $4.40 to $8.50. Fat lambs $13.25 to $16.

Potato markets at New York, Chicago and Pittsburgh firm; in other cities weaker. Maine Green Mountains in bulk weaker f.o.b. shipping points at $1.31 to $1.41 per 100 lbs. New York sacked Round Whites steady f.o.b. at $1.81. Massachusetts Yellow onions up 10 to 25¢ at $8.35 to $8.50 per 100 lb. sack. Florida Irish Cobblers in double head barrels $10 for No. 1 stock; $8 for No. 2 grade.

Hay markets continue firm. Cold weather in Northwest causing urgent demand in that territory. Feed demand quiet particularly in East.

Butter markets steady to firm. Cheese markets also steady to firm.

Spot cotton down 10 points closing at 17.29¢ per lb. New York March futures down 16 points at 18.25¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Mar. 9: Average closing price 20 industrials 86.95 as compared with 73.60 corresponding day 1921; average closing price 20 railroad stocks 78.53 as compared with 70.20. (Wall St. Jour., Mar. 10.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 58. Section 1. March 11, 1922.

Agricultural Appropriation Bill

The House, March 10, continued consideration of the Agricultural Appropriation bill, adopting an amendment by Representative Chalmers for increase from $200,000 to $275,000 in the amount that would be available during the next fiscal year for preventing the spread of the European corn borer. (Press, Mar. 11.)

House Passes Seed Grain Relief Bill

The House, March 10, passed a bill authorizing a $1,000,000 appropriation for the purchase of seed grain for farmers in drouth-stricken areas of the Northwest. As previously approved by the Senate, the bill carried a $5,000,000 appropriation, so the difference must be adjusted before the measure goes to the White House. (Press, Mar. 11.)

Deficiency Bill

The second deficiency appropriation bill was reported in the Senate, March 10, carrying a total of $137,967,057, which is an increase over the House bill of $29,429,770. (Press, Mar. 11.)

Retirement Relief Bill

Chairman Lehlbach, of the Committee on Reform in the Civil Service, said, March 10, he expected his committee would order a favorable report on March 13 on the bill sent to Congress by Secretary Fall, providing that all Government employees now in the civil service, regardless of the manner of their employment, shall be entitled to retirement benefits. (Press, Mar. 11.)

Federal Employee Bill

Under a bill, offered March 10 by Representative Tinkham, the Federal Government would be required to give two weeks' notice to any employee about to be discharged. (Press, Mar. 11.)

California Grain to Europe

Completion of a plan whereby it is expected a third of the grain crop of California will be sold by the growers in English and other foreign markets without the intervention of middlemen in this country was announced March 10 by the California Farm Bureau. The value of the grain to be marketed is estimated at $9,000,000 and its amount at nearly 300,000 tons. According to Dr. W. H. Walker, president of the bureau, from 50,000 to 100,000 tons already have been contracted for from the farmers by the State marketing exchange. (Press, Mar. 11.)

Radio Conference Report

Allocation of twenty wave lengths among the various classes of wireless telephony senders, and Government control of establishment of all commercial wireless transmitting telephone stations, are recommended by the report of three committees of the Government radio conference, made public yesterday. The recommendations do not provide for Government control of receiving stations, which Secretary Hoover has said have increased into the hundreds of thousands in the last few months. Amateur transmitting stations, under the committees' proposal would receive exclusive use of wave lengths from 150 to 200 meters and share with technical and training schools wave lengths of from 200 to 275 meters. Other recommendations are that wave lengths below 6,000 meters, in a general way, be reserved for "radio telephone service, but that those wave lengths which have become fixed in service for telegraph service within this range, such as S O S signals shall be retained." The committees' report expresses "the hope and expectation that the radio telephone may ultimately keep the whole range from zero to 6,000 meters." The committees further urge that the time periods assigned to the different transmitting stations for the various services be placed under the control of the Department of Commerce, and also that the radio telephone be accorded the status of a public utility. The recommendations, it was announced, have been transmitted to interested organizations and companies for consideration, and the full conference will meet again in two or three weeks to formulate its final report. (Assoc. Press, Mar. 11.)

Cooperative Marketing

"It is well for us always to keep in mind that cooperative marketing associations are but middleman agencies, and as such they must furnish the same expert service and bear the same maintenance expense as independent sales agencies. The cooperative marketing association, whether it be local or national, is only a fair competitor in the field of middlemen. It should never try to be anything else. As a fair competitor it has a tremendous service to perform in holding profits at a fair and reasonable level and upholding standards of quality. That is exactly what fair competition should do on all lines of business, but sometimes a combination of the competing agencies destroys this benefit of competition and permits profiteering When farmers combine, therefore, to sell their own goods, paradoxical as it may sound, they are actually fighting the evils of combination, for their private interests forbid any combination with competing middlemen in restraint of trade or in the interests of profiteering. And so long as independent middlemen continue to give the same expert service and to accept the same fair profits as the cooperative body, there is no reason why they should be driven from the field of business. The cooperative selling organization among farmers is therefore fundamentally as friendly to all honest middleman agencies, as it is to the farmers themselves and to the ultimate consumers of the commodity thus sold." (Indiana Farmers' Guide, Mar. 4.)

Section 2.

Agricultural Bloc in State Legislature

"The advent of a bloc in New York is more important than the subject matter which gave rise to its appearance, coming as it does close upon the very successful operation of the farmers' bloc in our national legislature. The situation in Congress and in New York is quite similar, except that the problems in New York are local to the State, and the New York city element appears in place of the huge commercial lobbies at Washington. " (American Agriculturist, Mar. 4.)

Agricultural Conditions in Texas

General conditions throughout the Eleventh Federal Reserve District show forces working for the betterment of business are slowly gaining, according to the March 1 report of the Dallas Reserve Bank. On account of drouth, wheat prospects in the Panhandle are the poorest in many years, but live stock has wintered well. The Panhandle produces 55 per cent of the wheat of Texas in normal years. Credit conditions in the live-stock industry manifest great improvement because of the operation of the War Finance Corporation.

Agricultural Financing

The need of agriculture is a longer term credit than that now afforded by banks, Gray Silver, of the American Farm Bureau Federation, declared March 10 before the Senate Banking and Currency Committee's hearing on the Lenroot-Anderson bill. "What we need," Mr. Silver asserted, "is an intermediate investment institution which will furnish money for a longer period than is provided by the Federal Reserve system. The intermediate form of credit such as proposed by the Lenroot-Anderson bill dovetails into the efforts which the farmers are making to market their commodities over a longer period and in an orderly manner." (Intern'l News Service, Mar. 10.)

Crop Insurance

Basing an editorial on the recently published Department of Agriculture bulletin on Crop Insurance, Risks, Losses and Principles of Protection, Northwest Farmstead for March 1 says: "Here is a big subject to which Northwest Farmstead has been giving considerable study recently on account of the value of such insurance and the fact that one or two of the largest fire insurance companies in the United States have lost several million dollars attempting to furnish it. It is not usual for big fire insurance companies to lose money on any of their policies, but even though they had studied crop insurance for several years, these companies failed to think of several things, one being the heavy drop in prices. Some day, we shall have a real crop cost insurance, and the studies made by the Department of Agriculture, no doubt, will hasten the day."

Economic Laws

"Economic laws are like gravity in that they are always functioning. No legislation can force men to accept debased currency at par in exchange for the necessities of life. No laws can compel the farmer to grow grain at a loss to feed the coal miner who wants full time pay for half time work. No legislation can create the wealth the world has destroyed in war. When each element in the population of the globe has been made to realize and to put into practice the principle of producing more than it consumes then will we be restored to our former economic position." (The Grain Dealers Journal, Feb. 25.)

Milk Marketing

"Although final figures were not available upon going to press, it is particularly gratifying to see that very few cancellations of the Dairymen's League pooling contract were coming in during the period for withdrawal in February. Those who have watched the progress of this great dairymen's movement in the East and know first hand the convictions of the eastern dairymen, prophesied that the great bulk of members would stand loyal and steadfast for the cause, and their predictions have come true. There are still some disbelievers in the ranks, and in any great body of men will be found those whose selfish interestsdominate their actions. From February 1 to 15 there were 1,300 new pooling contracts received by the cooperative association." (American Agriculturist, Mar. 4.)

Wheat Marketing

An American wheat growers exchange representing ten States, which have already taken steps to establish an "orderly marketing program" for grain, was proposed in a tentative draft of a marketing plan drawn up by representatives of the National Wheat Growers' Association and the Northwest Wheat Growers at Kansas City, Mo., March 9. The States concerned are Kansas, Oklahoma, Texas, North Dakota, Nebraska, Colorado, Montana, Washington, Oregon and Idaho. (Press, Mar. 10.)

Wool

The Commercial Bulletin to-day says: "There has been no large volume of business put through in the eastern markets this week, but there has been rather more looking around on the part of certain mills, and altogether there is a little better tone to the market. In the West there appears to have been no contracting of moment and but little done in the way of consignment of the new clip. With the tariff outlook so uncertain buyers naturally are reluctant to commit themselves very far on the present level of prices. Some little betterment is reported in the New York goods market, mostly on medium grade sport clothes."

Section 3.

Department of Agriculture

1. "The Bureau of Markets was authorized by Congress in 1913 and has developed until it is one of the most important branches of the Department of Agriculture. Recently the Bureau of Markets was merged with the Bureau of Crop Estimates, the work of both bureaus being along similar lines. It is reported that under the plans to reorganize Government work in the interests of efficiency it is proposed to transfer the Bureau of Markets to the Department of Commerce and the Forest Service to the Department of the Interior. If these plans materialize the Department of Agriculture will lose two branches that are properly within the scope of the department's activities. ... It would be a mistake and, we think, would seriously cripple the work of the department to divide its activities among other departments." (Seed World, Mar. 3.)

2. The Washington Herald to-day says: " 'Efforts of powerful interests to transfer the Forest Service from the Department of Agriculture to the Department of the Interior have created a very serious situation,' declared Representative Frear before a meeting of the National Popular Government League in Washington March 10. Representative Frear asserted that the movement back of the proposed transfer is far from public-spirited. "One reason is behind the move,' he said, 'and that is selfish motives of men who would exploit our natural resources.' "

Reporting the same meeting, The Washington Star, March 10, says: "An attack upon Secretary Fall of the Department of the Interior for 'his attempt' to have the administration of the United States forests transferred from the Department of Agriculture to his own department was made to-day by Harry Slattery, attorney and former secretary of the National Conservation Association. 'Theodore Roosevelt put the national forests in the hands of the Department of Agriculture,' declared Mr. Slattery, 'because he thought that the safest place to protect them from being stolen from their rightful owners -- the people of the United States.' "

Section 4.

MEETINGS, HEARINGS AND VISITORS.

Meeting, Monday, March 13, 1.30 P.M., in Secretary Wallace's office, of Executive Committee and Board of Vice Presidents of World's Dairy Congress with Secretary Wallace, to lay out the foundation plan of the World's Dairy Congress to be held in this country in October 1923.

Those to be present include: Executive Committee -- Secretary Wallace, Honorary President; C.W. Larson, Honorary Vice President; Robert Scoville, N.Y. Loton Horton, N.Y.; J.A. Walker, Chicago; W.C. Davis, Chicago; H.E. Van - Norman, Washington, D.C.; H.N. Brawner, jr., Washington, D.C., Treasurer.

Board of Vice Presidents -- W.L. Cherry, Cedar Rapids, Ia.; P.D. Fox, N.Y.; E.B. Lewis, N.Y.; J.A. Bell, jr., Pittsburgh; Dr. E.V. McCollum, Johns Hopkins University; E.M. Bailey, Pittsburgh; C.J. Morris, New Haven, Conn. I.C. Weld, Washington, D.C.; F.H. Harwood, Detroit, Mich.; A.M. Loomis, Washington, D.C.; P.O. Reymann, Wheeling, W.Va.

Others in attendance: F. Rasmussen, Harrisburg, Pa.; A.W. Hopkins, University of Wisconsin; W. Hamilton, St. Joseph, Mo.; Wm. Powell, Washington, D.C. (Dept. of Agriculture) C.W. Pugsley; E.D. Ball; H.C. Taylor; J.R. Mohler, A.C. True; C.B. Smith; C.F. Langworthy; L.E. Rogers; J.C. Marquis; Harlan Smith. (Dept. of Commerce) E.G. Montgomery. (Children's Bureau) Dr. Dr. Anna Rude.

Section 5.

MARKET QUOTATIONS.

Farm Products

Mar. 10: Weakness in foreign grain markets induced considerable selling, but oversold condition developed and rush to cover caused a reaction. Chicago May wheat closed higher at $1.37; Chicago May corn higher at 62 1/2¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.34; No. 2 hard winter wheat $1.32; No. 2 mixed corn 58¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in Central Iowa 45¢; No. 1 dark northern wheat in Central North Dakota $1.30; No. 2 hard winter wheat in Central Kansas $1.20.

Chicago hog prices down 25 to 40¢, bulk of sales $10.50 to $11.10. Beef steers fairly active, medium and good beef steers $7,50 to $9.25, butcher cows and heifers $4.40 to $8.50. Sheep and lambs slow, fat lambs $13.25 to $15.75.

Potato markets generally steady. New York sacked Round Whites weaker at $1.78 per 100 lbs. Maine Green Mountains in bulk down 5¢ f.o.b. at $1.31 to $1.36. New Jersey yellow sweet potatoes steady in New York at $2 to $2.25. Maryland and Delaware stock $1.65 to $1.80 per bu. hamper in Philadelphia.

Hay markets continue generally firm; urgent demand mostly local price advances varied at the different markets. Millfeed markets easier, demand light. Lower grain markets have made buyers cautious and sales to country dealers are small.

Butter markets firm; consumptive demand good. Cheese markets steady to firm. Held cheese firm.

Spot cotton up 5 points closing at 17.34¢ per lb. New York March futures up 11 points closing at 18.36¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Mar. 10: Average closing price 20 industrials 87.18 as compared with 72.25 corresponding day 1921; average closing price 20 railroad stocks 78.68 as compared with 69.10. (Wall St. Jour., Mar.1

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Vol. IV, no. 59. Section 1. March 13, 1922.

Agricultural Bill — The House failed to dispose of the Agricultural bill, March 11, and a final vote on the measure went over until this week. Amendments were adopted, March 11, increasing the amounts for enforcement of the Cotton Futures Act from $146,540 to $175,000, and the appropriation for protection of reindeer and fur-bearing animals in Alaska from $46,-500 to $61,000. (Press, Mar. 12.)

Retirement Bill — The Senate, March 11, passed the Sterling bill extending civil service retirement privileges to Government employees appointed by executive order, the measure being designed to meet conditions resulting from a decision of the Attorney General. (Press, Mar. 12.)

Senate Passes Second Deficiency Bill — The Senate, March 11, passed the second deficiency bill, carrying a total of $136,895,000. (Press, Mar. 12.)

Muscle Shoals — Chairman Kahn, of the House Military Affairs Committee, announced, March 11, that Secretary Mellon and Attorney General Daugherty will be called before the committee this week to explain certain phases of the Government's war projects at Muscle Shoals, Ala., which came under the jurisdiction of their departments. Secretary Mellon will be asked how the Muscle Shoals project can be financed in the event one of the offers requiring Government financing should be accepted, while the Attorney General will be questioned regarding legal complications which the committee has discovered in connection with certain contracts held by the Alabama Power Company and the Air Nitrates Corporation. (Press, Mar. 12.)

Radio Telephony — The New York Times to-day says: "Radio telegraphy produced not a few difficult problems that demanded official solution, but radio telephony, by attracting much wider, if not greater, interest, has much complicated an already sufficiently complicated situation. ... The idea of Government control is in itself distasteful, as it so easily could degenerate into a censorship, but evidently the alternative to it is a confusion that soon would become intolerable. It is unfortunate that the radio messages can not be directed to a desired destination, but have to be sent out in every direction. For all except the 'broadcasters' this involves an enormous waste of energy, but there is no present prospect of avoiding that loss."

Secretary of Treasury Condemns Bank Loan Bonus

Unalterable opposition to the provisions of the latest soldier bonus bill before Congress is expressed by the Secretary of the Treasury in a letter sent to Chairman Fordney, of the House Ways and Means Committee, copies of which were made public March 12. Mr. Mellon referred to the position taken by President Harding on February 16 in counselling delay or the adoption of a sales tax to raise the required revenues, and then presented in detail the Treasury's objections to the present bill, which, he wrote, had presumably been framed with a view to reducing the apparent cost of the measure to the Government. The bill, Mr. Mellon pointed out, made no provision for sinking funds, amtorization or other reserves against liabilities which must be faced in 1925, and at the end of twenty-five years. He presented a series of tables to show the estimated cost to the Government of the so-called certificate plan and other features of the bill. These tables indicate that the bonus program as contained in the bill would probably cost the Government $1,200,000,000 by January 1, 1926, with other billions to be paid in later years. (N.Y. Times, Mar. 13.)

An Associated Press dispatch from New Smyrna, Fla., to the press of March 12 says: "Requests for President Harding's opinion on the newest proposal for the bonus brought from officials close to Mr. Harding a reiteration of his position as outlined in the letter to Mr. Fordney, in which he suggested the enactment of a sales tax to provide the necessary funds or postponement of the legislation. No other statement, administration officials said to-day, has been authorized."

The Forest Service

The Washington Star for March 12 says: "Secretary Fall's proposal for transfer of the Forest Service from the Department of Agriculture to the Department of the Interior was scored by H. H. Chapman, in a statement March 11, as vice president of the Society of American Foresters. This body, Mr. Chapman said, had gone on record as 'strongly opposing the transfer,' and he added that similar action had been taken by the American Association for the Advancement of Science and 'many other bodies'. ... Replying to Secretary Fall's question, 'Why should there be so much range land in forests?' Mr. Chapman called attention to an 'absolute agreement' between the Secretaries of Interior and Agriculture in 1910 under which 'all grazing lands which were not of greater value for forest protection or production were to be eliminated from the national forests and restored to the public domain.' This policy had been rigidly adhered to, with the single exception of the Tonto forest in Arizona, Mr. Chapman said, and that land had been withdrawn for protection of the Salt River irrigation project. ... Replying to Secretary Fall's assertion that timber should be conserved, not cut from watersheds valuable for power or irrigation, Mr. Chapman charged that the Secretary had permitted cutting on the White Mountain Apache reservation in Arizona, head-waters of Salt River project, and that the cutting, together with a resultant fire, had 'denuded the area past all hope of recuperation.' "

Grain Prices

A Chicago dispatch to the press of to-day says: "Wheat and corn prices are in a debatable position at present. Wheat prices, around $1.50, are at a good level where economic conditions are not disturbed, but a materially higher price might create dissatisfaction among the consuming public and prevent a reduction in living costs. Consumers are looking for lower living costs, while producers are anxious to have higher prices."

Section 2.

Agricultural Situation in Ninth Federal Reserve District

The Federal Reserve Bank of Minneapolis says in its monthly report for March: "There was a remarkable improvement in business confidence on the part of both farmers and merchants, based largely on the recent advances in the prices of agricultural products. Live stock and corn moved to market much more rapidly and terminal elevator stocks were greater than a year ago for all grains except flax and barley. These additions to the market supply of agricultural products were more than offset by an improved demand. Prices rose for all grains except rye and for all live stock except butcher cows. Wool prices and sheep have had a large share in this advance. Credit conditions have continued to improve. Market interest rates reflected this condition by a decline of about one-half cent in the month ended February 15. Member banks have been paying off their borrowings at this bank. Savings deposits have increased."

Cotton Marketing

Farmers of South Carolina will sell their 1922 crop of cotton cooperatively. The banking and business interests of the State are backing the movement, taking the position that it offers the greatest hope for future prosperity for the farmers. (Columbia, S.C. dispatch to press of Mar. 11.)

Dairy Marketing

Basing an editorial on a chart showing the balance of foreign trade in the leading dairy products over a period of years as compiled by the Department of Agriculture from records of the Department of Commerce, New York Produce Review and American Creamery for March 8 says: "The chart shows graphically the big changes that the war brought about in our foreign trade and the decided shrinkage in our exports since war demands ceased. ... However, Prof. C.W. Larson, chief of Dairy Division, points out that Canada sent us during 1921 more than half this amount in fresh milk and cream, which imports were not included in the chart. And the condensed milks that have gone to foreign relief amounted during 1921 to more than the balance. It thus appears that when our foreign trade in all dairy products is considered and our philanthropic relief exports are disregarded the year 1921 finds us with commercial imports of dairy products exceeding exports. .... However, unless there is a shift in duties our imports should continue to increase and our exports to diminish. This is the normal tendency and it will take higher tariffs to check it."

Plant Quarantine

"Another Quarantine Ghost Laid Low" is the title of an editorial in American Nurseryman for March, which says in part: "The methods of the propagandists, who simply cannot bear to believe that their great profits in importing plants regardless of injury to the United States are really to be cut off permanently, prove conclusively the desperation with which the importers writhe and the total lack of consideration for American Horticulture and American Agriculture which animates this action. In an endeavor to undermine sane, reasonable and entirely just protective measures put into force by the paid servants of the American people for the good of all, mimeographed copies of a document entitled 'Are Our Fruit and Grain Exports in Danger?' signed 'John Kingdon Smith,' were circulated among delegates to the recent Agricultural Conference in Washington. (Cont'd on p.4)

... It is time this sort of thing should be shown up in its true light. While Nurserymen in conventions, East, West, North and South, are applauding to the echo the arguments of speakers -- leading nurserymen of the country -- in behalf of special effort to protect the interests of the planters of nursery stock, there come to the surface, now and then, movements of this kind in an endeavor to place the dollars of the importer's trade above the interests of the American people. ... The alleged 'fear' in this latest propaganda seems to be that Europe will retaliate and cut off our grain and meat exports unless we open the door again to the practically unlimited entry of European plants. As supporting this contention the document makes various statements which, on examination, prove to be for the most part, either diametrically wrong or at least distinct misrepresentations; for example, with respect to the restrictions on the entry of our plants into Europe, it is alleged that Europe now gives an open door to our plants. The facts are that leading countries of Continental Europe began the prohibition of American plants in connection with Phylloxera some half a century ago and some twenty-five years ago made such prohibitions practically complete, following the general invasion of this country by the San Jose scale."

Production and Transportation

"Saving Shipping Costs" is the title of an editorial in The Wall Street Journal for March 11, which says: "Cost of transportation is vital to our food supply. ... But the railroads should not be asked to operate at a loss any more than a farmer should be compelled to sell his wheat for less than it cost him, or a workingman to labor for nothing. Even with wages and freight rates adjusted to a relative basis an unduly long haul would be unprofitable for the producer of bulky products, such as the forage and grain irrigated lands are fitted to produce. The situation at once suggests the two great machines for concentrating bulky feeds -- the cow and the pig. A dairy cow will take a ton of alfalfa hay and convert it into a small but valuable package of butter; while ten bushels of corn, weighing 560 pounds, run through the pig machine will be turned into 100 pounds of pork. Besides being more valuable, the finished products can be shipped at much less expense. This is only good manufacturing sense. Manufacturers prefer to locate their plants as near the source of raw materials and fuel as shipping facilities will permit. The farmer of the future must study the methods of the manufacturer and the merchant. It is of importance to the Nation also that all available sources of food production be utilized in the near future. It is time now to begin on a program that will make it profitable for farmers to till the soil in every corner of this country. One big item will be in means of saving on the costs of shipping."

Section 3.

MEETINGS, HEARINGS AND VISITORS.

Hearings on the Capper Bill providing for representation of agriculture on the Federal Reserve Board will begin March 15, before the House Committee on Banking and Currency. Secretary Wallace and Governor Harding of the Federal Reserve Board will be heard on that day.

Section 4.

Department of Agriculture

1. "The People's Patrimony" is the title of an editorial in The Washington Post, March 12, which says in part: "The inquiries made by the commission delegated to map out a reorganization of executive departments are said to have disclosed many glaring inconsistencies and inexcusable sources of extravagance. The report of the commission is in the hands of President Harding, and when published it is expected to create a sensation because of its recommendations for sweeping changes. A single example of inconsistent grouping of activities and the evils resulting therefrom is furnished by the commission in its discussion of the Forest Service in relation to the Department of the Interior. The Forest Service is in the Department of Agriculture, and the principal arguments in favor of its retention there are that it is allied with agriculture and is in touch with other bureaus of the Department of Agriculture, such as Entomology, Plant Industry, etc. But the bureaus of the Department of the Interior are in even closer touch with those bureaus of the Department of Agriculture. The Reclamation Service sets aside land for model farms to be developed by the experts of the Department of Agriculture and the Indian Office, General Land Office, Geological Survey, and other Interior bureaus are in constant contact with the Department of Agriculture. Inconvenience of all sorts results from the attempt to administer public lands by two executive departments. The Forest Service fails and refuses to cooperate with bureaus of the Interior Department, with serious damage to stockmen, lumbermen, miners, farmers, and others who have a right to expect a square deal from the Government. ... The evident intent of the creators of the Interior Department was to place under one jurisdiction all authority over the public lands. But the Forest Service was gradually expanded in the Department of Agriculture and transformed from a research into an administrative bureau, with the result that constant friction has prevailed. ... The chaotic conditions resulting from divided authority over the public lands should be ended forthwith, The reorganization commission has recommended that the forests be administered by the Department of the Interior, just as other lands are administered, whether mineral, desert, oil-bearing, agricultural or Indian lands. The commission takes the position, which seems to be logical and unassailable, that one authority should be exercised over public lands, without regard to the particular nature of the lands. ... The question of surveys is most important in connection with the public lands, and it is most damaging to the public interest that the Geological Survey and the Forest Service survey should follow conflicting systems. ... Congress will have the reorganization commission's report in due time, with the President's recommendations thereon. It is to be hoped that the people will be given an opportunity to make their land heritage available for proper use."

2. "The trade is again threatened with another insidious piece of paternalistic legislation in the form of a Farm Products Trading Act, introduced into both houses of Congress last week and fostered by the Bureau of Markets. This legislation is not mandatory, but is a loophole for further legislation, eventually working toward a bureaucratic interference of the Bureau of Markets in the conducting of the business of marketing farm products. This bill permits the Secretary of

Agriculture to devise and publish a set of rules governing the handling and sale of farm products, and the publication of a list of approved dealers who agree to trade under these rules and open their books to the Bureau of Markets to see that rules are enforced. The subject was broached at some of the state egg conventions by representatives of the Bureau of Markets, and met with ready objection from shippers and dealers, who resented any attempt at a bureaucratic rule, interfering with the free handling of their business, and whose experiences under food administration times has given them all they want of Government interference in business. The attempted extension of Government interference in the handling of produce business, even with permissive legislation of this sort, is extremely dangerous and should be viewed with concern and alarm by the trade generally. Trade organizations should take a decided stand against legislation of this sort, and be prepared to fight the passage of such legislation at Washington." (N.Y. Produce News, Mar. 11.)

Section 5.
MARKET QUOTATIONS.

Farm Products

Grain prices declined during the week on liquidation and selling influenced by lower foreign markets, improved crop conditions Southwest, and bearish construction placed on Government reports. Chicago May wheat lost 5¢; Chicago May corn down 1/4¢.

Chicago hog prices down 25 to 45¢, medium and heavy weights declining most. Beef steers steady to 15¢ higher, good and choice grades showing the advance. Butcher cows and heifers up 25 to 50¢; stockers and feeders up 10 to 15¢; light and medium weight veal calves down 25 to 50¢; fat lambs steady to 25¢ higher; fat ewes generally 25¢ higher. Eastern wholesale fresh meat prices were not materially changed.

Cabbage firm in Chicago, weaker in other cities. New York potato market firm, other cities slow and weak. Apple markets irregular, demand for good stock limited. Celery slow and weaker.

Hay markets firm under light receipts. Millfeed markets easier, demand light. Wheat feeds for 30-day shipment quoted about $1 below transit shipment prices. All feed prices slightly lower.

Butter markets firm; trading active at end of week; consumptive demand stimulated by low prices. Cheese markets steady to firm; trading active; held cheese firm.

Spotcotton up 19 points; New York March futures up 32 points.

Mar. 11: Grain market uncertain. Prices fluctuated rapidly around Friday's close. Chicago May wheat higher at $1.37 1/4; Chicago May corn higher at 63¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.34; No. 2 hard winter wheat $1.33; No. 2 mixed corn 59¢; No. 3 white oats 37 1/4¢. Average farm prices: No. 2 mixed corn in Central Iowa about 45¢; No. 1 dark northern wheat in Central North Dakota $1.39.

Chicago hog prices down 10¢, bulk of sales $10.50 to $11. Cattle, sheep, and lamb prices practically unchanged. Medium and good beef steers $7.50 to $9.25; butcher cows and heifers $4.40 to $8.50; light and medium weight veal calves $6.75 to $10.75; fat lambs $13.25 to $15.75. Potato markets weaker; New York market steady. New York sacked Round Whites weaker f.o.b. at $1.71 to $1.78 per 100 lbs. Maine Green Mountains in bulk steady f.o.b. at $1.31 to $1.36. Main No. 1 Baldwin apples $7.50 to $8 per bbl. in Boston. (Prepared by Bur. of Mkts. & Crop Est.)

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Vol. IV, no. 60. Section 1. March 14, 1922.

Agricultural Appropriation Bill

The Agricultural Appropriation bill, carrying approximately $35,000,000, was passed by the House, March 13, after members had been forced on record on the question of putting back the $360,000 free seed item for free seed, which was eliminated by the committee framing the measure. The seed appropriation was in the bill when it was presented to the House proper, but on a point of order by Representative McArthur, opposing the distribution, a roll call was ordered. The free seed advocates won by a vote of 173 to 142. The bill as sent to the Senate is about $4,000,000 under last year's appropriations. (Press, Mar. 14.)

Soldier Bonus Legislation

"Ignoring the admonitions of Secretary Mellon and the reported impending veto by President Harding, the Republican members of the House Ways and Means Committee decided March 13 that the soldier bonus bill should be reported without essential change." (N.Y. Times, Mar. 14.)

Retirement Bill

The press to-day says: "It is expected that the House Committee on Reform in the Civil Service will to-day report favorably the Sterling bill passed last week by the Senate specifically writing into the law the right to retirement of 80,000 employees who were denied retirement pensions under a ruling by Attorney General Daugherty."

Muscle Shoals

Charles L. Parsons, consulting chemist and former Government adviser on nitrate fixation, told the House Military Affairs Committee that Henry Ford, or any one else, would lose his last penny before he ever could produce commercial fertilizer at Nitrate Plant No. 2, Muscle Shoals, which could be operated only under the cyanimid process, obsolete for fertilizer production. He wanted it kept in condition for emergency war use. He said Plant No. 1 for $1,000,000 or $1,500,000 could be altered to produce fertilizers by the Haber process. (Press, Mar. 14.)

American Cotton Exchange Methods Criticized

The New York Times to-day says: "President A.W. Graham of the American Cotton Exchange admitted at the 'John Doe' inquiry into cotton 'bucketing' before Chief City Magistrate William McAdoo yesterday that there had been much crooked deal-in the past by former members of that organization. ... "

Section 2.

Agricultural Bloc

1. "The Bloc has not exhausted itself, but it has enacted about all the bills that can be thought of to boost the marketing fads of farmers and farmers of the farmers, unless we include the new one proposed by Oregon and Washington mentioned in the Washington letter this week. (The bill referred to is entitled "Farm Products Trading Rules Act.") There are few other things left. The Bloc might of course resurrect the Grain Corporation and fix minimum grain prices, as the radicals in the Northwest want; or it might resurrect greenbackism as the new Agricultural Bloc Association, headed by Andrews of Geneseo, Ill., aims to do. There is a distinct cheap money, cheap credit influence in Washington now, supported by farmers. How far Senator Capper would go with the farmers in those directions might depend upon crop conditions and the demands of his peculiar constituency-- he does not seem to have other than local or class aspirations, and in these things there are great opportunities for glory -- or mischief." (Price Current-Grain Reporter, Mar. 8.)

2. "Is there anything wrong in the voice of agriculture being heard in the present crisis along with the voices of other groups? Surely not. Can any fair-minded citizen find fault with agriculture demanding a constructive program of legislation that pertains to such a basic industry? ... It was expected that members of the old 'blocs,' or what amounted to the same thing, would recognize the danger in the competition of this new 'bloc,' desirous of being heard along with them. ... In the main, the legislation introduced by the groups in the House and Senate, designated as the 'agricultural bloc,' has been sane and reasonable. It has gotten results, and that it has done so has been largely through its frankness and through its members placing all of the cards on the table. Such an innovation is refreshing, when compared to the old wire-pulling methods. The 'agricultural bloc' is doing splendid work in bringing things out into the open, and in placing responsibility where it belongs. The 'agricultural bloc' is seeking to aid agriculture, and upon its success depends the welfare of the Nation, for as the farmer prospers, so does the country." (Western Farmer, Mar. 1.)

Agriculture in Nebraska

"Nebraska is a State generally thought of as agrarian. However, stock and poultry and dairy products annually show a value substantially exceeding that of the cereals and vegetables. Hence, this commonwealth may be taken as a fair barometer of conditions throughout the farm belt of the Middle West, that is, in a broad sense. The declaration, therefore, that 'Nebraska has turned the corner and is now well on the way back to normal and permanent prosperity,' issuing from Governor Samuel R. McKelvie, is an important one, and confirms recent general statements of officials of the Treasury and Agriculture Departments. Governor McKelvie does not deal in hypothesis, but in cold figures. These show that the total value of leading products advanced during the period November 1, 1921, to March 1, 1922, from $392,228,000 to $457,585,000, an increase of $65,357,000, and this on a declining market. Furthermore, the average health of farming and stock conditions is demonstrated the more strongly by the fact that this gain takes into account and cancels value losses of $15,000,000 in poultry and $10,000,000 in dairy products. The average gain is found to be 33 2/3 per cent." (Wash. Herald, Mar. 13)

Boll Weevil

"Man's Undefeated Enemy" is the title of an editorial in The Washington Herald March 13, which, based upon a recent bulletin of the Department of Agriculture, says: "The most pessimistic bulletin since the initial occupation (by the boll weevil) has just been issued by the Department of Agriculture. ... Like most of our insect enemies, the boll weevil possesses formidableness because of his minuteness, his hardihood and his unbelievable reproductive powers. It serves to remind us that insects are far and away man's worst zoic enemies; the 'bug' that ravages vein and tissue, the army ant against which nothing in the tropics can stand, the malaria-bearing mosquito which, vanished in the Canal Zone, still plays havoc in South America and Africa, making vast regions in these continents virtually uninhabitable for white men. The testimony of all jungle explorers is the same; it is insects, not big cats, snakes or vampire bats that constitute the prime menace to life and health. The benefits to the race accruing from insects are negligible, the harm they do is incalculable. There are not a few entomologists who believe they will yet rule the world. So far as our present ability to eradicate them extends, they probably would, were it not for the existence of great cool, dry areas where their propagation and existence is difficult or impossible."

Cooperative Marketing Bill

"Even with the United States Senate majority of fifty-eight to one, the bill legalizing cooperative marketing of farm, dairy, orchard and ranch products, excluding such associations of farmers from laws governing business against monopoly, is a dangerous move and can only be excused by the political belief that it will have its effect on coming elections. The New Haven Journal-Courier, in discussing the bill, says: 'The agricultural interests may resent the suggestion that they would never act in restraint of trade and hold up the general public with exorbitant prices for their products, but they cannot deny that under the terms of the proposed law the opportunity is given them to do so. There have been too many examples of temptation following in the path of opportunity to warrant the confidence that any particular group is free from danger in that connection.' The Secretary of Agriculture, always a political appointee, is entrusted with the job of preventing a monopoly, or from using the law to raise prices, and surely no such responsibility should be vested in a politician. ... There is no more reason for the farmer owning elevators than owning stores, for no economy will result if the service is maintained to meet the public demand, but the law will permit the agitator and promoter to get the farmer's cash, which in many cases is rightfully the property of his creditor, and instead of a benefit the law will, in our judgment, react to a curse. The talk of the middleman taking all the profits is too absurd to receive attention, except from interests anxious to exploit the farmer." (The Eastern Dealer in Implements and Vehicles, Mar.2.)

The Price Current-Grain Reporter for March 8 says: "Senator Capper predicts that while 'a collective bargaining act is not a panacea for all ills of agriculture because no cure-all exists,' still 'Federal approval of cooperative marketing associations will do much to relieve farmers in their present condition.' It's a pretty slender reed for a debt-burdened farmer to lean on, but as Secretary Wallace and former Secretary Meredith and Senator Capper, experts in ordinary to his Majesty the Farmer Voter, have said it is a stout staff, let's hold our breath and see what will come of it."

Cotton and Fertilizers

"Reports of the agricultural bureaus of nine of the principal cotton producing states show that to the end of February only 552,33 tons of commercial fertilizers had been sold. While it is too early to forecast the cotton crop, these figures have an important bearing pointing as they do to a smaller production. Sales to the end of February, 1921, amounted to 658,728 tons, or 16 per cent more than those of this year. In 1920 they were 1,858,777 tons. Compared with two years ago, 70 per cent less fertilizer is being used, so far as can be judged from the February returns. The central and eastern belts can not raise cotton without fertilizers, and the returns are for all of the important producers with the exception of North Carolina. Possibly the farmers of the East do not intend to plant as much as usual. There is no way of judging at present. But if an average area is planted and underfertilized, the outlook will not be good. Unless the consumer shuts his eyes to past experience, he will see that the hope of a reasonable yield per acre depends upon an early and favorable start and a well fertilized plant. The middle and late cotton is expected to go to the weevils. ... Intensive cultivation is one of the most effective means of getting ahead of the weevil. On ordinary lands this can not be accomplished without a great deal of fertilizers of the right kind. Without fertilizers the farmer will merely raise cotton to feed the insects. If later figures confirm the fact that farmers are using even less fertilizer than a year ago the prospects of a normal crop are small." (Wall St. Jour., Mar.1

Grain Marketing

"Time to Sell Grain" is the title of an editorial in Chicago Journal of Commerce for March 11, which says: "To be successful, the business man must know when to sell as well as when to buy. Stocks on the shelves do not represent actual, or established, values until they have been changed into coin of the realm. Farmers of the United States have practically a billion and a half bushels of corn, 131,-000,000 bushels of wheat and 405,000,000 bushels of oats on their farms, which have advanced in theoretical value many billions of dollars in the last few months. Their corn, for instance, is now worth 55 cents a bushel, compared with 41 cents a bushel November 1. Wheat has advanced to $1.17, against 94 cents, and oats have climbed to 30½ cents contrasted with 29 cents November 1. The advance made in values has inspired new confidence in the country at large and has led to hopes of still further upturns. These hopes may be realized, but it is the wise merchant who knows enough to be satisfied with a reasonable profit and who takes advantage of the opportune time to market his goods. Farmers who refuse to sell now that a fair margin of profits is offered them are merely speculating and place themselve in the same class as the Wall Street gambler, whom they profess to abhor. Prices may go higher-- this is not meant as a market forecast -- but conditions point to possible unsettlement in the industrial world because of the threatening attitude of coal miners, and the time is daily growing shorter when American farmers will have to compete with Argentine growers for the world's business in corn. Profits may not be so large if accepted now, but they will be profits, and, if not accepted, they may be turned into losses."

Genoa Conference

A London dispatch to New York Times March 13 says: "Keen regret is expressed in business and financial circles over America's decision not to go to Genoa, but there is no surprise."

Government Reorganization

The New York Times for March 12 says, in an editorial entitled "Unloved Economy," and based mainly upon the Report of Sir Eric Geddes, chairman of the British Government economy committee: " 'Theoretically every one is for the most drastic thrift, but in practice most people are against any particular form of thrift.' This is the mourful confession of an English political writer in connection with the public reception of the famous Geddes Report. By it some very sweeping reductions in Government expenditures had been recommended, amounting all told to more than $400,000,000. Department after department was gone over by the Geddes committee, and precise details were given as regards the savings to be effected When the report was made public there was at first a chorus of praise for its wielding of what was called 'the super-axe' of economy. But almost immediately vehement protests began to pour in from the branches of the Government affected. ... Americans have in these matters no justification for thanking God that they are not as other men are. Some of our own heralded economies have proved as unpopular as the English proposals. A year ago our Government entered hopefully upon a great plan of reorganizing the departments at Washington in the interest of efficiency and retrenchment. But so great has been the hostility of the officials involved, so formidable the inertia of the present system, so persistent the jealousy of Congressmen in regard to their patronage, that the whole scheme has been given up for the time being by a despairing Administration, and may never be revived. ... Events in the United States as well as in England continue to illustrate the truth of the remark by Walter Bagehot that if you want to raise a cheer make a speech in favor of economy in general, but if you want to make yourself unpopular and get your measures defeated introduce a bill to effect a particular economy."

Section 3.

Department of Agriculture

In a review of the National Agricultural Conference, The Field Illustrated and System on the Farm for March says: "The Secretary of Agriculture has had some things to say lately which, if said by any other member of the Cabinet, would furnish a week's sensation. But because he is quiet and averse to publicity, his warnings of the relationship between the welfare of our farming business and the future of American civilization have escaped front-page prominence. However, people who think, know he is right. The Nation's welfare rests on the permanence and stability of our agriculture and on the well being of the people engaged in it. The farmers who are striving to solve their own business problems, the public officials who are studying the legislative features involved, and the business men who are giving their thought to the subject, are working for more than their own immediate personal gain. Just let us keep that thought in mind. ... A master stroke was made in selecting as chairman Representative Sidney Anderson, who is chairman of the Congressional Joint Commission of Agricultural Inquiry, and another in selecting as secretary Dr. H. C. Taylor who, in organizing the economic work of the department is already running three bureaus as one. Both Anderson and Taylor are men of good sense honesty, brains and energy, who can always find time to do just a little more. ... "

Section 4.

MEETINGS, HEARINGS AND VISITORS.

Leading dairy and manufacturing interests at the first official conference, held at the Department of Agriculture yesterday, decided upon preliminary plans for the holding of the World's Dairy Congress in this country in October 1923. The date and the city were not decided upon. H.E. Van Norman, president of the World's Dairy Congress Association, proposed that the congress be divided into four sections -- industry and economics; regulation and control; national health; and research and education. The plans were accepted. President Harding will be asked to invite foreign governments to send delegates. Several cities have asked for the meeting, including Philadelphia, Washington, St. Paul and Indianapolis.

In opening the meeting Mr. Van Norman said: "The dairy industry is made up of many small units which are represented here by twenty national organizations. The formation of this association is the first attempt to bring all of these units together in one common effort. This is the greatest meeting of the representatives of the various branches of the industry ever held."

Section 5.

MARKET QUOTATIONS.

Farm Products

Mar. 13: Grain market had heavy undertone throughout. Visible supply wheat 38,852,000 bushels, a decrease of 1,203,000 bushels for week; visible supply corn 48,078,000 bushels, an increase of 3,286,000 bushels for week. Chicago May wheat lower at $1.32 1/4; Chicago May corn lower at 60 3/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.29; No. 2 hard winter wheat $1.29; No. 2 mixed corn 57¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in Central Iowa about 43¢; No. 1 dark northern wheat in Central North Dakota $1.39; No. 2 hard winter wheat in Central Kansas $1.18.

Chicago hog prices down 25 to 40¢, bulk of sales $10.25 to $10.75. Beef steers, stockers and feeders and fat cows and heifers mostly 15 to 25¢ lower; medium and good beef steers $7.30 to $9.10; butcher cows and heifers $4.25 to $8.25; fat lambs steady to higher at $13.25 to $15.85.

Potato markets about steady. New York sacked Round Whites weaker f.o.b. at $1.71 per 100 lbs. Maine Green Mountains, in bulk f.o.b. at $1.31 per 100 lbs. Massachusetts Yellow Globe onions firm f.o.b. at $8.25 to $8.50 per 100 lbs. sack.

Hay receipts continue light; prices higher in Central and Eastern markets. Southern markets practically unchanged. Feed markets quiet. Pastures beginning to furnish grazing in many Southern sections.

Butter markets firm; fancy butter especially scarce. Cheese markets steady to firm. Trading fairly active. Increased demand for fresh goods.

Spot cotton down 15 points closing at 17.18¢ per lb. New York March futures down 21 points at 18.11¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Mar. 13: Average closing price 20 industrials 67.56, as compared with 72.99 corresponding day 1921; average closing price 20 railroad stocks 78.71, as compared with 69.18. (Wall St. Jour., Mar. 14.)
